

The **NATIONAL UNDERWRITER**

Life Insurance Edition



Sales FORCE

Graduates of the second 1940 session of the Aetna Life Insurance School are well-versed in planned salesmanship principles • Through an intensive study of proved sales methods, they have given momentum to their life insurance careers • Momentum which develops that sales force so essential to the successful salesman.



AETNA LIFE INSURANCE SCHOOL
HARTFORD . . . CONNECTICUT

THE REMAINING 1940 FIVE-WEEK SCHOOL SESSIONS BEGIN ON JULY 29 AND OCTOBER 21

FRIDAY, JUNE 21, 1940

FATHERS of YOUNG CHILDREN!

*...can you answer
these three questions?*

- ① "What minimum income would my family need every month until my youngest child is grown?"
- ② "How can I afford enough life insurance to provide this income?"
- ③ "How are many other fathers meeting this problem?"



Suppose you take your pencil and do a little figuring . . . and say you find that your family's minimum income should be at least \$100 a month until your youngest child is grown. And suppose you thought you couldn't afford to own as much insurance as would be required to provide this income, under the usual plans. Thousands of other fathers, facing this problem, have found the answer in the New York Life's Family Income Policy. Here is the way it works:

THE POLICY For the protection of his wife and children a young father takes a New York Life Family Income Policy today for \$10,000 (face amount), with a '20-year period.' This means that if he should die at any time during the next 20

years the New York Life will pay an income of \$100 a month to his wife for the remainder of the '20-year period' and then, in addition, the New York Life will pay \$10,000.

To illustrate the maximum of guaranteed payments that might be made: If the father died immediately after the policy was issued, the income payments of \$100 a month would run for the full 20 years; so the total income payments of \$24,000 plus the \$10,000 payable at the end of the period would amount to \$34,000. If he outlives the '20-year period' the sum payable in event of his death would be the face amount, \$10,000. Of course, if he lives to retirement age, as so many do, he can obtain, through his policy, a life income for his later years.

Surprising to many is the fact that the rate for a Family Income Policy is only slightly higher than for Ordinary Life. After the 20th year the rate is exactly the same as for an Ordinary Life policy. Of course, the Family Income Policy is issued for larger

or smaller amounts than \$10,000 but \$2,000 is the minimum. Policies with ten, fifteen or twenty-year periods are available according to the age of the father.

Ask a New York Life agent for more information about this attractive policy. If you are not acquainted with a New York Life agent serving your community, write to the Home Office of the Company at the address below.

THE COMPANY This year the New York Life Insurance Company celebrates its 95th Anniversary. It was founded April the 12th, 1845. The New York Life is, and always has been, a mutual company. It has no stockholders. Dividends are paid to policyholders only. Policyholders get their insurance at cost. The New York Life aims to provide life insurance at the lowest cost consistent with the ample margins of safety which the Company believes it should always maintain.

NEW YORK LIFE

INSURANCE



COMPANY

A Mutual Company Founded on April 12, 1845 • 51 Madison Avenue, New York, N. Y.

Safety is always the first consideration . . . Nothing else is so important

THE NATIONAL UNDERWRITER Life Insurance Edition. Published weekly by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. Forty-fourth year. No. 25. Friday, June 21, 1940. \$3.00 per year, 15 cents per copy. Entered as second class matter, June 9, 1900, at the post office at Chicago, Ill., under Act of March 3, 1879.

The above advertisement appears in

The Saturday Evening Post

Collier's

Farm Journal

The New York Times Sunday Magazine

New York Herald Tribune Sunday Magazine

New York Sunday News Magazine

CAA Pilot Training Program Presents Selection Problem

War Angle Makes Usual Extra Premiums for Student Fliers Inadequate

NEW YORK—Reacting to the spread of interest in pilot training programs, several companies are attaching aviation exclusion riders to insurance sold to all male applicants up to age 31. This provides liability shall be limited to return of premiums in the event death occurs as the result of a flying accident other than on a scheduled air line.

NEW YORK—Unless a general war clause is adopted, the Civil Aeronautics Authority's pilot training program presents a considerable problem to home office underwriters of companies which accept student pilots at an extra premium. There is no difficulty for those companies taking student pilots only with an aviation exclusion rider.

The question is acute because the CAA program will during the next year add 45,000 new pilots to the 10,000 it has just finished training. There is no trouble about fixing an adequate extra premium for the peacetime aviation hazard, but no adequate basis exists for judging the chances of these student pilots seeing military service nor what their probable extra mortality would be if they did go into service. However, it is apparent that with the extra hazard of the aviation branch of military service, even the substantial extra premium now charged student pilots would be far from enough to cover the military aviation fatality rate.

War Clause Best Solution

The best solution would be a war clause excluding liability for death while the insured is in "military or naval service in time of war," the language which one company already uses. This is broad enough to cover accidents in training pilots, even those occurring in this country. One of the difficulties that has been pointed out in connection with the use of the CAA pilot training program as a preliminary training for military fliers is that flying a military ship is so different from the slow speed civilian trainers that it might be easier for the army and navy to train men with no flying experience who have nothing to unlearn. Consequently, there may be quite a few fatalities among CAA-trained pilots learning to fly the faster military ships.

While there has been only one fatality in training the entire 10,000 pilots who are finishing the CAA course, an amazing record, the greatest risk from a life insurance standpoint comes not during the actual period of training, when the

(CONTINUED ON PAGE 9)

War Clause Subject Is Now a Pertinent One

HARTFORD—Life company executives feel sure that the war clause subject will be considered by the National Association of Insurance Commissioners when it meets here next week. The topic is a very vital one now to all companies. There have been informal conferences on the subject, the object being to ascertain what was the sentiment of executives and whether an attempt should be made to try to establish a uniform clause. Owing to the differences of opinion found in various state departments, many officials have abandoned the hope of getting uniformity. Therefore, they trust that some model will be adopted and that the commissioners will use this, at least, as the background for any clause that they will approve.

Joint Statement Made

At the mid-winter meeting of the commissioners' body at Edgewater Gulf, Miss., a statement was submitted by a joint committee of the Life Presidents Association, of which E. E. Rhodes was chairman, and the American Life Convention, of which R. E. Moyer, Continental Assurance of Chicago, is chairman. This committee recommended general provisions which should be embodied in the several war clauses under discussion to the extent that companies may desire to take advantage of them. Following is a summary:

1. A provision that the company does not assume the risk of death:

(a) Where such death occurs while the insured is serving outside the states of the United States and the District of Columbia in the military, naval or air forces of any country at war, whether such war be declared or undeclared; or where such death occurs within six months after the termination of such service;

(b) Where such death occurs as a result of operating or riding in any kind of aircraft while the insured is serving within the states of the United States or the District of Columbia in the air force of any country at war, whether such war be declared or undeclared; or where such death occurs within six months after the termination of such service and as a result of such operating or riding;

Other Provisions Made

(c) Where such death occurs while the insured is serving outside the states of the United States and the District of Columbia in any auxiliary or civilian non-combatant forces of any country at war, whether such war be declared or undeclared; or where such death occurs within six months after the termination of such service;

(d) Where such death occurs as a result of war or any act incident thereto, whether such war be declared or undeclared, while the insured is traveling or residing outside the states of the United States and the District of Columbia in time of such war, or within six months after the termination of such travel or residence; and that the liability of the company in the event of such death shall be limited to a sum not less than the reserve on the policy (including the reserve for any paid-up additions thereto) and any dividends standing to the credit

of the policy less any indebtedness to the company on the policy.

2. A provision, at the option of the company, that with respect to any of the risks specified in (1) there shall be no restriction as to coverage if the insured shall pay to the company, in such manner as it may require, such extra premium or premiums as it may require.

3. A provision that any clause in the policy providing for total and permanent disability benefits or for any additional accidental death benefits shall terminate if the insured shall go outside the states of the United States and the District of Columbia in time of war, whether such war be declared or undeclared.

Action in 1917

Some executives believe that the best course to pursue would be to bring to the attention of the commissioners the action taken in 1917, when the association adopted the recommendation of a joint committee of commissioners and companies. The commissioners' committee consisted of Mansfield of Connecticut; Button, Virginia; Cleary, Wisconsin; English, Iowa; Winship, Wisconsin. The committee from the companies consisted of William Bro-Smith, Travelers, chairman; P. H. Evans, Northwestern Mutual; G. A. Grimsley, Security Life & Trust of North Carolina; G. B. Woodward, Metropolitan; Robert Henderson, Equitable Society; F. B. Mead, Lincoln National; E. E. Rhodes, Mutual Benefit. The recommendations stated briefly were:

1. The clause "shall cover" the entire period of such service if commenced within five years of the register date.

2. Minimum extra premium "for the present" shall be \$37.50.

3. If extra premiums are not paid and death occurs during such service, or within six months following termination thereof the liability shall be limited, not to exceed the sum of regular premiums paid.

4. Such extra premiums shall be paid within 31 days after entering upon service.

5. Refund shall be made upon termination of war of any extra premiums not required.

6. "The desirability of spreading the extra premium covering the war risk so as to embrace all those under the military and naval service wherever they may be and not confining it to those who are at the front, or who are actually in the war."

Text of War Clause

The text of the war clause the commissioners adopted was:

"If within five years from the date of this policy the insured shall engage in any military or naval service in time of war, the liability of the company in event of death of the insured while so engaged, or within six months thereafter, will be limited to the return of the premiums paid hereon, exclusive of any extra premium paid for military or naval service, less any indebtedness to the company hereon; unless before engaging in such service or within one month (of not less than 30 days), or at

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Fear of War Clause Boosts Business of Some Companies

Higher Proportion of Applicants of Military Age Is Noted

Several companies have noticed in the last few weeks a distinct increase in the percentage of applications from men of military age. There appears no room for doubt that this increase is solely due to applicants' desire to get under the wire before companies generally put a war clause on all new business.

Some agents are having considerable success in selling insurance on this basis. Obviously the appeal is good only with a rather solvent class of prospects, where there would be no question that the premiums would continue to be paid even if the insured were serving in the army at \$30 a month.

Loads Up with Term

Said a million-dollar producer who is of military age and known as a shrewd appraiser of selling conditions: "I've bought a lot of term insurance and I am urging all my clients and prospects to buy all they can while they can still get it without a war clause."

Partially offsetting sales due to this desire to beat the war clause deadline is the feeling among prospects that if they have to go into the nation's armed forces they will suffer such cuts in income that they will have enough trouble paying for present insurance without loading up with any additional.

One major reason why companies have felt reluctant about responding to the present European crisis by slapping a war clause on all new business is the possibility that the public would take such a move as indicating that the companies had inside knowledge that the country was about to go to war. Regardless of lack of foundation for such a belief, it is conceivable that the notion might be a factor in pushing the nation in the direction of war.

Practical Difficulties Obtrude

There are also practical difficulties in imposing a war clause. For example, since the policy would be suspended while the insured is in military service, what would be the status of the non-forfeiture privileges? Another question that arises is the exact type of war clause. Many company men feel that it is too drastic to exclude all deaths occurring while in military or naval service. Why, for example, should a man who dies of pneumonia contracted under circumstances having nothing to do with his war service be excluded from coverage just because he happened to be in service at the time?

On the other hand, it is recognized that attempts to distinguish between

(CONTINUED ON PAGE 6)

Devises Method for Salary Allotment

Mutual Benefit Life Builds Policy Around Federal Social Security

NEWARK—Built around federal social security, a new and unusually effective method of selling salary allotment insurance has been developed by Mutual Benefit Life and intensively tested in the field in the last six months. A closing ratio of one franchise to every 2.3 presentations was obtained in the test, which was conducted in large and small agencies in various types of territories.

The secret of the new presentation's effectiveness, according to Richard B. Thompson, Mutual Benefit's sales promotion manager, lies in the employer interest aroused by coordinating life insurance with employees' social security benefits to provide financial independence in old age or an adequate living standard for employees' beneficiaries. The salary allotment system is offered as a convenience for employees in owning any new life insurance that may be desired. Premium contributions by the employer are optional.

A vital part of this plan, and one which counts heavily in closing an employer, is the flexible supplemental agreement service developed by the Mutual Benefit. This service makes possible supplemental agreements permitting beneficiaries to change, without dependence upon attained dates or ages, from an income plan originally intended to supplement social security incomes to a plan providing that all income shall be from life insurance alone.

It has been found that employers are quick to sense possible dangers in tying up life insurance proceeds too closely with social security. For one thing social security is still in the process of evolution. Future changes by congress may alter its scope and provisions. But the most important point, and one which the Mutual Benefit stresses particularly, is the possibility that a child, upon whom depends the payment of social security survivorship benefits, may die before reaching age 18. For this reason flexibility in distribution provisions is of the utmost importance since leaving funds tied up until the deceased child would have reached age 18 might be disastrous for the widow.

To make easier the installation and operation of its salary allotment plan the Mutual Benefit has completely re-

Companies Haven't Followed National's Settlement Option

NEW YORK—In the six months since the National Life of Vermont liberalized its attitude on settlement option agreements, other companies have shown no tendency to move in the same direction. When the National announced its change, some wondered if this meant that the pendulum had made the full swing in the direction of greater strictness and was moving back in the direction of greater liberality. However, if anything the general attitude is stricter than ever where long term commitments are involved. This is almost entirely due to the continued low level of interest rates and the absence of any prospect of their increasing.

Another factor is the increased tendency, also caused by low interest rates, of policyholders and beneficiaries to elect to leave proceeds with the companies. As these accumulations grow and form a larger percentage of total assets it becomes increasingly necessary for companies to make sure that their funds held under supplementary agreement do not involve obligations which weigh inequitably on the general body of policyholders. Naturally, each company faces a different situation and must lay its course to suit its own circumstances.

vised the rules governing the plan and the materials used. To enable its agents to seek out high quality groups without emphasis on quantity, the new rules permit installation of the monthly budget plan on the basis of five lives for a total of \$10,000 volume.

As the result of the experience gained from six months' field tests, the Mutual Benefit is completing plans for a special program to train its agents to use the new sales presentation as a vehicle for selling salary allotment insurance. Development of this work is under Mr. Thompson's supervision. Because of the thorough preparation necessary, it will be introduced to the field force one agency at a time under schedule covering the last half of this year.

O. D. Douglas, San Antonio, Texas general agent Lincoln National Life and trustee of the National Association of Life Underwriters, following the convention of the Texas Association of Life Underwriters, entertained about 20 of the general agents at his ranch home near Boerne, Tex.

Sees Insurance as Big Defense Factor

Zimmerman, in Philadelphia Address, Cites Financing Potentiality

PHILADELPHIA — The annual meeting of the Philadelphia Association of Life Underwriters was told by Charles J. Zimmerman, president of the National association, and Edward L. Reiley, newly elected president of the Philadelphia group, that "more important to us even than life insurance; more important than anything is the integrity of the United States."

Both speakers asserted that it is the duty of every agent today to preach common sense. Agents, they said, can perform a patriotic duty by exercising a stabilizing influence.

Mr. Zimmerman pledged the full power of the agents to the government in a sound program for national defense.

Departs from Paper

The statements of Mr. Zimmerman on the international situation and the national defense program were a departure from his prepared address. He pointed out that the development of the country's thrift agencies played an important role in national preparedness.

"This is true," he said, "because in time of war every thrift agency will be called upon to furnish the capital which will finance the nation's needs. If war ever reaches this hemisphere, which few desire but all must think about seriously, the job that life insurance agents and companies have been doing will be more fully appreciated."

He pointed out that the costs of a preparedness program cannot all be met from current revenue; that a major portion must be borrowed from institutions, such as life insurance, whose business it is to conserve the nation's wealth "and the United States life insurance companies, which hold in trust for their policyholders some 28 millions of dollars, constitute a reassuring element of first importance if our preparedness as a nation should be put to the test."

"In wise and intelligent cooperation between industrial forces and the government, as well as among all financial institutions, lies the welding together of the forces of the nation for the greatest good of the country," he asserted.

"With today's threat upon us, American life insurance must redouble its efforts; its field forces and its manage-

May Sales Increase Brings Year's Total Near 1939 Mark

NEW YORK—New life insurance for May showed an increase of 3.6 percent, according to the Life Presidents Association. The total for the first five months was only off .6 percent.

With all classes contributing to the May increase, the new business of the 40 reporting companies for the month was \$626,357,000 against \$604,445,000 for May, 1939, a gain of 3.6 percent; ordinary, \$439,567,000 compared to \$424,094,000 a 3.6 percent increase; industrial \$141,921,000 against \$137,073,000, a 3.5 percent increase; group \$44,869,000 compared to \$43,278,000, a 3.7 percent increase.

For the first five months, the new business of all classes was \$3,082,006,000 compared to \$3,100,558,000; ordinary \$2,132,499,000 compared to \$2,270,076,000, a 6.1 percent decrease; industrial \$654,655,000 against \$613,754,000, a 6.7 percent increase; group \$294,852,000 against \$216,728,000, a 36 percent increase.

RESEARCH BUREAU REPORTS

HARTFORD—For the second consecutive month, ordinary life sales in May showed a gain, an increase of 7 percent, the Sales Research Bureau reports.

Although sales for the year-to-date period are still 5 percent below 1939, (CONTINUED ON PAGE 6)

ment must work together in a dual purpose that is more important today than it has ever been before—the protection of the nation's life values and the stimulation of its industry."

Mr. Reiley, in his talk, told the gathering: "We have reached the time when we must broaden our outlook and accept greater responsibilities." The international situation will have considerable bearing on the attitude of companies and agents, he declared.

Mr. Reiley's conception of his program for next year is:

Every qualified agent should be a member of the association; every member should have greater interests and accept greater responsibilities; cooperation fully with the National association and Institute of Life Insurance.

Henry McBratney, retiring president, was presented with a gavel. He announced that the association's membership today exceeds 700, the highest in its history, and would reach 750 by July 1.

OFFICIALS OF INSURANCE COMMISSIONERS ASSOCIATION



C. C. NESLEN, Utah
President



J. C. BLACKALL, Connecticut
Vice-President



JESS G. READ, Oklahoma
Secretary



J. S. WILLIAMS, Mississippi
Executive Committee Chairman

Analograph Selling System Is Proving Its Worth

Mutual Benefit Life's Production Shows Rise in First Five Months

NEWARK—Although companies reporting to the Life Presidents Association showed a decrease of 6.1 percent in the production of ordinary for the first five months of the year, Mutual Benefit Life's production rose 8.79 percent in volume and 6.74 percent in lives, the increase being largely credited to the use of the "analograph" system of selling. The average policy paid for during the period was slightly more than \$5,600, an increase of about \$100 over the first five months of 1939.

The "analograph" is a mechanical device to enable the prospect to draw his own life insurance picture. However, an essential part of its use is a thorough schooling of the agents who are to use it. Each school lasts four weeks and there is constant drilling for skill. Each instructor has only three or four pupils. The pupil rehearses the sales talk about 30 times before the instructor and about 60 times alone or with another pupil. Not only is he required to know the sales talk by heart but he is schooled in the proper emphasis, coordination, and even the gestures and mannerisms so that finally he is able to give an easy, natural performance. One thing that is insisted on is elimination of any suggestion of a canned or parrot talk.

Figures for the analograph users for the full year 1939 are not available because of a change in the recording blanks but for the last 10 months of the year the analographers made 26,316 approach calls, obtained 9,816 graphs and supplementary analograph data, or an average of one to every 2.86 approach calls. The analographers prepared 9,250 cases during this period and gave a like number of closing interviews. The number of cases closed was 3,342 or a ratio of one case closed to each 2.77 closing interviews. These figures include no production of general agents or supervisors.

The analograph schools overlook no angle, however minor, which might have a bearing on sales success, for there is abundant proof that such details as neat clothes, conservative haircut, clean nails and pleasant breath can have a vital influence on selling. Among the directions are the following:

"Remain silent when no answer is required; introduce each idea with sincerity and conviction; think before speaking; listen attentively—never interrupt; make every physical move unhurriedly, gracefully; talk slowly and distinctly in modulated voice; keep your eyes on the prospect; keep all sales material neat and clean; handle sales accessories with appreciation and deliberation."

The Mutual Benefit Life was recently awarded the American Management Association's sales presentation award for the booklet, intended for distribution to prospects: "This Is What the Analograph Can Do for You."

Another TNEC Publication

Part 13 of the proceedings of the TNEC, covering testimony on Travelers, Shenandoah Life, Equitable Society, Southwestern Life, Illinois Bankers Life and the subject of reinsurance rewriting has been issued by the government printing office. It covers hearings held Sept. 11, 12, 13, and 22; Oct. 26 and 27; Dec. 7, 8, 14, 15, 20, 21 and 22.

Fischer Allowed to Administer Funds of American Life

DES MOINES — Commissioner Fischer of Iowa was given the "sole and exclusive right" to administer \$3,601,419 worth of securities deposited by the former American Life of Des Moines with the insurance department, according to an opinion handed down by Federal Judge Dewey. The decision will permit Mr. Fischer to administer the funds for the benefit of some 7,000 policyholders of the now defunct company.

The Des Moines company was reinsured in 1923 by the American Life of Detroit which became insolvent in 1938 and in turn was reinsured by the American United Life. Commissioner Emery of Michigan, who became permanent liquidating receiver, had contended that the Iowa securities should be administered for the benefit of all policyholders of the Michigan company instead of for the Des Moines company only.

Would Constitute Act of Preference

Mr. Emery's contention was that distribution of the Iowa assets of the Des Moines company policyholders would constitute an act of preference as against other policyholders.

Judge Dewey in his decision pointed out that the reinsurance contract was approved by both the Iowa and Michigan departments and that the contract had the same force and effect as if the re-insuring company had been an Iowa concern.

He called attention to the clause in all policies written by the Des Moines company which stated that "full reserve on this policy is secured by deposit of approved securities with the state of Iowa."

Judge Dewey said the reinsurance transaction "was in the nature of a new

More Companies to Hike Annuity Rates

NEW YORK—Half a dozen or more life companies have already increased their annuity rates, especially the single premium retirement annuity. Others will follow. The investment situation is such that the companies cannot rely on stable interest earnings in the future. Interest rates may still decline. Annuities are a long term contract and companies, therefore, cannot afford to maintain even the existing rates. A number of agents are coming in contact with their clients and prospects, calling attention to the situation and urging them to purchase their annuities before rates are increased.

company taking over assets with a lien thereon." He held that the Iowa company policyholders have had a lien on securities in the hands of the Iowa insurance commissioner, and that the reinsurance agreement in no way changed this status.

PREPARE INVENTORY OF ASSETS

LANSING, MICH.—An inventory of the assets of the defunct American Life of Detroit is being prepared for early presentation to Circuit Judge Carr of Ingham county as a prerequisite to naming of a trustee for the carrier's properties, according to Commissioner Emery, receiver. Provision for the naming of a trustee was contained in the reinsurance agreement with the American United Life.

A hearing on claims will be held by the court shortly, Commissioner Emery said, with general creditors having the privilege of registering any possible objections to the inventory set up by the receiver. Dissenting policyholders also will have their day in court.

Focus Attention on Salaries in Cal. Chapter 9 Companies

Hearing Reveals Head of Insurer with \$400,000 Premiums Gets \$30,000

LOS ANGELES — Commissioner Caminetti of California has closed the first week of the hearings on Chapter 9 life companies, on orders to show cause why they should be granted renewals of license. National Guaranty Life was the company treated. It was brought out that its expense ratio was higher than that set up in the formula of the insurance department. The salary of the president was called excessive by expert witnesses.

During the hearing Mr. Caminetti stated that if he secured evidence of any "chiseling" in settlements claims he would take decisive action. He also said he would see that the companies keep within the expense ratio formula.

Beginning Wednesday Guaranty Union Life was placed under the microscope.

President Harrison Testifies

Following the close of the department's side of the case, the company put on but one witness, President C. W. Harrison, and under questioning by department counsel, much of the earlier juggling of companies doing business under chapters 4, 6 and 9 were brought out.

Mr. Harrison is receiving \$30,000 salary from National Guaranty and \$12,000 per year from State Mutual Life of California. Two of the salary increases were Harrison's own proposal to the board.

It was brought out that the average net premium income of 22 companies in 1939, in a class that might be comparable with National Guaranty, was \$855,108 and that the average top salary was \$13,320 or 1.65 percent of premium income and the total insurance expenses were \$248,186 or 2.9 percent. National Guaranty net premium income was \$413,469, with a top salary of \$30,000 or 7.26 percent and insurance expenses of \$187,796 or 45.42 percent.

Mowbray Criticizes Salary

Prof. Albert Mowbray, consulting actuary, testified that the actual expenditures of National Guaranty without including the salary of the president were \$198,445 in 1939 and that he considered these expenses unreasonably high; that the commissions paid were unreasonably high, and that the renewal commissions were unreasonably low. He testified that considering the duties President Harrison performed \$6,000 to \$7,500 would be a reasonable salary. He testified that in his opinion the company operations if continued as they now are would lead to an increased cost and that it would place the company in a hazardous condition. He said that on paper the surplus was being built up, but that in his opinion its resources were being depleted. In reply to a question on cross-examination he said that it was his opinion three or four of the chapter 9 companies are operating in compliance with the law.

Records showed that the old Central California Mutual, North American Mutual, Master Life and five of the old so-called 452-F companies were among those involved, and in all of which Mr. Harrison had some business connection.

The chapter 9 companies that received the order to show cause are: Alliance Mutual Life, Santa Ana; Benjamin Franklin Life, Santa Barbara; California

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65 YEARS INSURED

The actuaries compiled their mortality table by following the life spans of 100,000 people, starting at age 10. When the group reached age 31, only 84,721 still survived, and these had an expectation of 34.63 years, as a group. Nevertheless, when the group reached age 65, there were 49,341 still surviving. And when the group reached age 95, according to the table, only three of the original 100,000 were still alive, and the next year, at age 96, they were all off the table, for actuarially none live that long.

But, of course, in real life a few survive, and this particular policyholder did. He was born in 1841, and in 1872 we insured him, at age 31. And he lived to age 99.

During the 65 years (to age 96) he had carried his \$2,500 of life insurance, he had paid in premiums of \$3,847.50. But the dividends returned to him came to \$2,043.88. Therefore, to receive his \$2,500 of life insurance the net cost to him for 65 years was \$1,803.62. Or, to put it another way, the profit to him, plus the protection of 65 years of life insurance, was \$696.38.

+ + +

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Missouri Body Has Its Annual Meeting

JOPLIN, MO.—The Missouri Life Underwriters Association elected P. C. French, New York Life, St. Louis, president; P. B. Turner, Home Life, Kansas City, first vice-president, and H. M. Sparr, Prudential, Sedalia, second vice-president. Secretary and treasurer will be appointed by the three officers. The association will hold its annual convention in St. Louis in 1941.

The association unanimously gave support for an agents qualification law, which has been suggested so frequently by Superintendent Lucas. It also recommended a joint committee with fire and casualty agents, as suggested by W. J. Welsh, president of Missouri Association of Insurance Agents, to further the passage of the qualification law at the next legislative session, in 1941. It approved a proposal to work for an amendment to the present state probate law which would allow purchase of a single premium annuity by a guardian or trustee on behalf of a ward.

Results of the work of the educational committee, enumerated by W. L. Coonrod, Northwestern National, Springfield, include: 166 requests from high schools for lectures on life insurance, with 61 made; showing of Institute of Life Insurance films 159 times to 21,145; getting the Southwest Missouri State Teachers College, Springfield, to adopt a full credit course in life insurance this fall; preparation of such courses for this fall by the University of Missouri, State Teachers Colleges at Maryville and at Joplin.

As a step in eliminating counsellors and twisters, J. W. Moore, Mutual of New York, Springfield, retiring president, suggested that lecturers in high schools have listeners get their families' policies checked by members of the local underwriters' association.

Organized life insurance is behind the government's defense program fully, C. J. Zimmerman, president of the National association, said. However, life men would like to have a definite program of defense and a sane leadership.

Superintendent Lucas was made an honorary member.

Earl E. Smith, agency secretary Equitable of Iowa, talked at the banquet.

American Mutual to New Quarters

Following several months of preparation and remodeling, the American Mutual Life moves its home offices June 24 from its former location at Fifth and Park to its home office building, the Liberty building, in downtown Des Moines.

The general offices will occupy the three top floors of the building, providing a 20 percent increase in working space to handle its increased volume of business. In addition, the printing department will be housed in the basement, and the Des Moines agency will continue to occupy the quarters on the second floor which it has had for the past several years.

The three floors have been completely remodeled and redecorated. The latest types of business equipment have been installed, and the offices will add materially to the speed and efficiency with which normal operations are carried on.

The American Mutual Life has owned the Liberty building for 17 years. Due to the fact that all 12 floors have been completely occupied by other tenants, the company has been unable to take up quarters in the building until this spring, when space was released by the Bankers Life, officials said.

The Liberty building is one of the largest and most modern buildings in Des Moines. An "open house" for policyholders and the general public will be announced in the near future, as soon as all departments have completed the work of moving.

Careful Planning Especially Needed

Describing the progress of the Connecticut Mutual in the past 12 months, V. B. Coffin, second vice-president, gave full credit to the field force for a rise of insurance in force to a total of \$1,059,000,000-\$29,000,000 greater than in June, 1939. He made the chief address at Excelsior Springs, Mo., where the first of a series of five regional conferences was held.

Careful Planning Is Needed

In commenting on problems confronting the agent in 1940, Mr. Coffin stated that while new business was currently good, and apparently might continue to be favorable for several months, greatest success was being secured by those men who recognize the need for unusually careful planning, and who do not seek short cuts for production. He announced that the largest number of men in many years had qualified for these regional conferences, but that fewer representatives were in the high production brackets. With new business being thus spread, Mr. Coffin vigorously pointed out the need for each individual to improve his equipment for serving clients. Mr. Coffin also explained to the field men the factors behind the program of limiting the number of new recruits which could be added by any agency during the year.

Representatives from Colorado, Iowa, Kansas, Louisiana, Missouri, Nebraska, Oklahoma, Tennessee and Texas attended this regional, at which the following home office officials were present: Mr. Coffin; W. P. Barber, Jr., secretary; Dr. H. B. Rollins, associate medical director, and G. F. B. Smith, assistant superintendent of agencies.

Chairman of the meeting was Mr. Smith, who announced that L. D. Stark of Houston was the winner of the Chase Award, given in recognition of his being the leading producer. Mr. Stark also appeared on the convention program and discussed various methods of reaching the better buyers.

E. C. Wright, Jr., Kansas City, pointed out how life insurance could fill a very definite need in providing mortgage cancellation insurance on the thousands of new homes which are now being built.

Prudential Conference in Chicago

Prudential ordinary and industrial agents from Minnesota, Wisconsin and Iowa and ordinary agents from Nebraska, Denver and Oklahoma City attended a two-day sales conference in Chicago. President Franklin D'Olier spoke at a joint meeting followed by separate industrial and ordinary sessions. The home office delegation included H. B. Sutphen and G. H. Chace, vice-presidents; J. P. Mackin, second vice-president, and Sayre McLeod, superintendent western ordinary agencies.

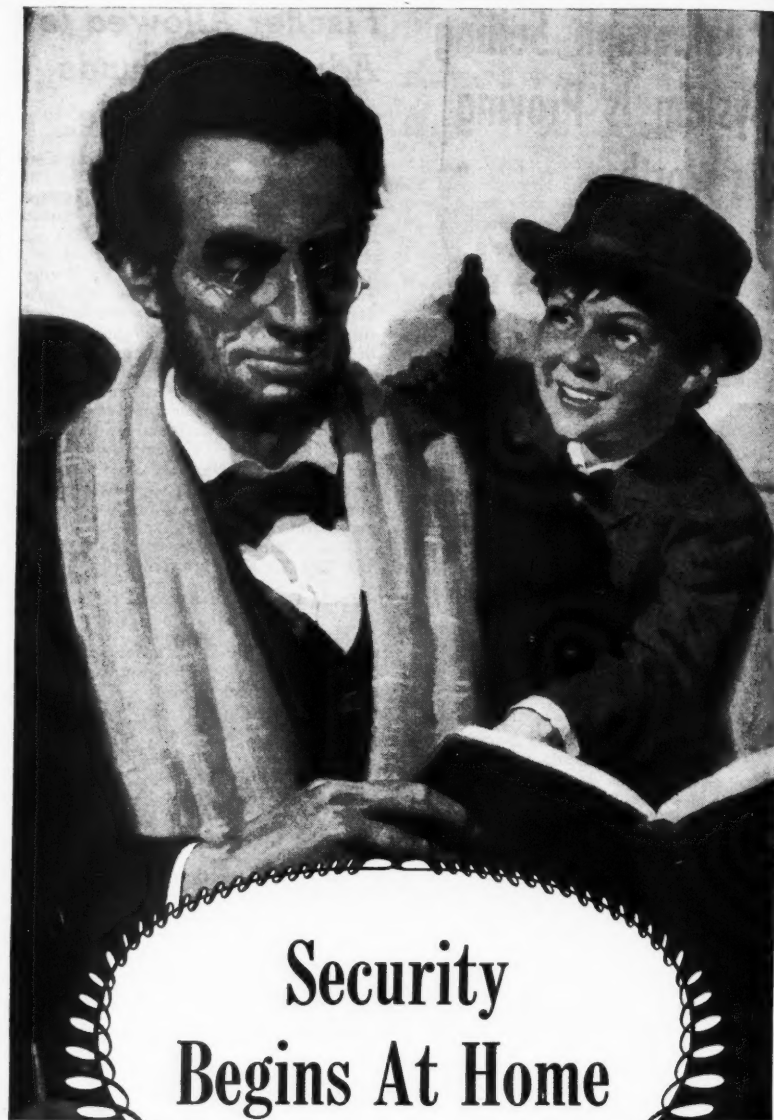
Chairman of Texas Leaders Group Is Valuable Producer

John H. Foster, who was elected chairman of the Leaders Round Table of Texas at the annual meeting at Austin, has been in the life insurance business since 1931. He has been consistently one of the leading producers in San Antonio for Amicable Life. He has qualified each year for the Leaders Round Table and has an exceptional conservation record. He graduated from Texas and was for three years a lieutenant in the United States Air Corps.



John H. Foster

University in 1926 and was for three years a lieutenant in the United States Air Corps.

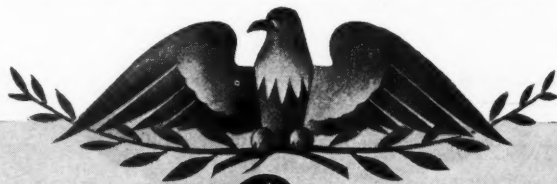


THE WISE MAN relies mainly on his own efforts to provide for his future, his home and his loved ones. He generally makes life insurance his very first line of protection.

Lincoln National Life Insurance Company has the privilege of helping thousands on thousands of such provident men with their life insurance investments. Its record is one of conserving the policyholders' interests above all else. Progressive methods permit of personal service to the greatest numbers. The successful application of Lincoln principles is evidenced by more than a billion dollars of insurance in force today.

Your local Lincoln Life agent will give you experienced advice on your insurance problems. Consult him!

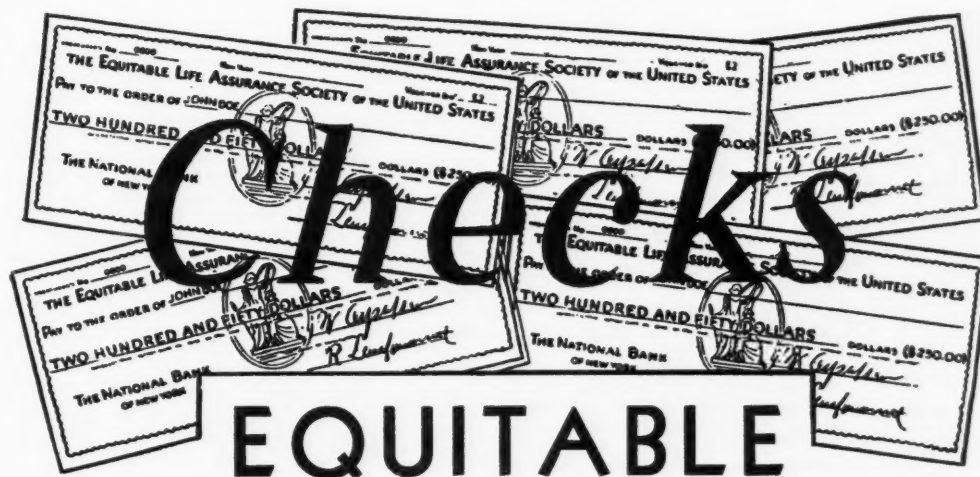
From June 8th issue of Saturday Evening Post.



THE LINCOLN NATIONAL LIFE
INSURANCE COMPANY

FORT WAYNE, IND.

ITS NAME INDICATES ITS CHARACTER



MONTHLY INCOME CHECKS AS ADVERTISERS

● An ever-increasing number of Equitable checks are circulating throughout the country, because of the fact that more and more Equitable policies are being paid in the form of *monthly income*, either for a given number of years or for life. In 1939 over 650,000 policy payment checks of one kind or another were sent out from the Home Office of the Equitable. These include instalment or life income payments under matured life insurance policies and payments under annuity contracts. The number will increase each year, as approximately 25% of all new policies issued by the Society specify some income

method of settlement rather than a single sum payment.

● Merchants cannot help but note this constant flow of "pay-to-the-order-of's" with the Equitable's name conspicuously showing on each. These recurring income checks must of necessity attract the attention not only of trades-people, but of tellers and others in local banks as these checks are deposited and clear through the regular channels. Along every Main Street they may come to mean the *mainstay* of some individual or family. Equitable underwriters everywhere must indirectly benefit from these constant advertisers of Equitable protection.

THE EQUITABLE
LIFE ASSURANCE SOCIETY
of the
UNITED STATES

393 Seventh Avenue, New York

Thomas I. Parkinson, President

Fear of War Clause Boosts Business

(CONTINUED FROM PAGE 1)

deaths directly attributable to war service and what might be called normal deaths would run into many borderline cases, settlement of which would be unsatisfactory both to the companies and to the beneficiaries.

An added complication is the fact that the new New York code prohibits the type of war clause which companies are permitted to use in most other states, though in some respects the New York law goes even further in permitting the companies to deny liability. It provides that policies may include a clause excluding liability for deaths resulting from military or naval service. This would permit a company to deny liability on an insured dying 20 years after hostilities had ceased, provided his death was the outgrowth of a war injury.

At the same time, by limiting the exclusion to deaths resulting from military or naval service, the New York law brings in a host of possible complications already mentioned in connection with borderline cases where there is doubt whether the death in question was due to actual military service or to some cause unconnected with the war.

Focus Attention on Chapter 9 Companies

(CONTINUED FROM PAGE 3)

Mutual Life, Oakland; Equitable of California, Oakland; Golden State Mutual Life (Negro), Los Angeles; Great States Life, Los Angeles; Guaranty Union Life, Beverly Hills; Imperial Mutual Life, Los Angeles; Independence Life, Santa Barbara; Master Life, Hollywood; Mount Moriah Life, San Francisco; Physicians Life, San Francisco; Progressive Life, Southwestern Life, State Mutual Life, Sunset Mutual Life, Unity Mutual Life & Accident, all of Los Angeles.

Because of the shortness of time prior to expiration of the certificates of authority of the chapter 9 companies it will be impossible for Mr. Caminetti to hold formal hearings in every case. Hearings will be held on several companies, and the remainder will be dealt with through conferences. The statements and affairs of the companies are being scrutinized by the department. It is hoped that as the result of the conferences stipulation will be made by the companies to meet the requirements.

May Sales Increase Brings Total Near 1939 Volume

(CONTINUED FROM PAGE 2)

nevertheless this comparison has shown a steady increase during the four months following the low in January. The low ratio at that time was the result of abnormally high sales in January, 1939, caused by rate changes in many companies.

Again all sections of the country with the exception of the west south central (Arkansas, Louisiana, Oklahoma and Texas) showed gains. The east south central section (Kentucky, Tennessee, Alabama and Mississippi) registered the highest gain with an increase of 11 percent.

Of all the states only Alabama, Arkansas, Idaho, Louisiana, New Hampshire, Rhode Island, and Utah failed to show production increases, while several had large gains. The leaders were Nevada with a 51 per cent gain, Nebraska and Montana with 26 per cent, New Mexico with 23 percent, Georgia with 21 percent, and the District of Columbia with 20 percent.

Production increases in the country's

largest cities ranged from 20 percent in Detroit to 1 percent in Boston. Chicago's gain was 15 percent, Cleveland 10, Los Angeles 8, New York 4, Philadelphia 11 and St. Louis 9 percent.

Total ordinary sales by sections for May are:

	May, 1940 Sales	Pct. +/-
United States Total...	\$571,625,000	+7
Sections:		
New England.....	42,416,000	+4
Middle Atlantic.....	157,222,000	+5
East North Central.....	131,230,000	+11
West North Central.....	58,864,000	+10
South Atlantic.....	55,897,000	+10
East South Central.....	21,857,000	+3
West South Central.....	41,550,000	-3
Mountain.....	15,154,000	+7
Pacific.....	47,435,000	+6

Lack of Investment Outlets Now Source of Strength: Pink

NEW YORK—The inability of insurance companies to find adequate satisfactory investment outlets and their consequent extra liquidity becomes a source of extra strength now that world conditions are so uncertain. Superintendent Pink of New York declared at the annual convention of the National Association of Building Owners & Managers here. The American people, he said, should have no fears as to the ability of all classes of companies to weather whatever storms may be ahead.

Companies holding foreclosed real estate have adopted a realistic attitude in disposing of properties, rather than attempting to hang on to them indefinitely, he said, adding that good management, rehabilitation of old properties and sound sales programs are helping solve problems of foreclosed holdings. Sales of foreclosed properties involved in real estate securities issues are now exceeding foreclosures, he said. He mentioned the investment opportunities for life companies in large scale housing projects.

Prudential Promotions Made

The Prudential has made promotions at the home office. R. W. Cobb is advanced to assistant supervisor of the methods department; Henry Jedel to manager of the tracing department; A. P. Seller, manager of the personnel department, and A. R. Self and W. E. Slater, advanced to approvers of the ordinary disability claim department.

Wells Is Elected Wisconsin President

MILWAUKEE—Helmus Wells, Milwaukee, Mutual Life of New York, was elected president of the Wisconsin Association of Life Underwriters at the annual meeting here, to succeed Alvin Moser, Aetna Life. Peter Zimmer, Oshkosh, Prudential, was named first vice-president; Earl Wheeler, Madison, Mutual Benefit, second vice-president; Walter Wetzel, Green Bay, Franklin Life, secretary, and William Tucker, Beloit, Travelers, treasurer.

Directors are Mr. Moser, John Hovey, Madison, Connecticut Mutual; Harry Bruegger, Oshkosh, Aetna Life; Leonard Moran, Superior, Northwestern Mutual; I. H. Solomon, Racine, Metropolitan; M. F. Emerson, Spring Valley, National Guardian; Curtis Sell, Sheboygan, Mutual Life of New York; C. K. Gustafson, Wausau, Wisconsin Life; B. S. McGiveran, Eau Claire, Northwestern Mutual; L. J. Lensmeyer, Manitowoc, Mutual Trust; Lynn Van Zandt, La Crosse, Equitable; Harold Myhre, Janesville, Old Line Life, and George Mayer, Milwaukee, New England Mutual.

The legislative committee, of which Mr. Wells was chairman, reported that it secured final passage of the two important bills, one giving Wisconsin a special insurance exemption of \$10,000, and the other limiting the taxability of

insurance under the estate tax law, making the incidents of ownership the deciding factor and defining the incidents of ownership. The committee was active also in killing a number of bills considered objectionable, particularly one which would have put the state further into the life insurance business by authorizing advertising and other promotional expense by the state life fund.

In resolutions adopted, members of the association are urged to examine the views of the various candidates for public office politically and personally towards insurance, and to report their findings to the association for distribution of these expressions so that qualified candidates are given support, all other qualifications being equal.

Recognizing the splendid work of the Wisconsin department, insofar as the budget permits, the governor and the state budget committee are urged to consider a larger appropriation to permit expansion of growing service of the department. The association offered Commissioner Duell its full cooperation.

RECORDS

Continental American—According to present indications June business will set a new high record for the month. The company is devoting the month to the "June Jubilee" offering agents the opportunity to go to the home office in Wilmington, Del., and participate in dedication ceremonies of the new building next month. So far this month, applications have been running consistently ahead of the same date last year.

Finishing touches are being put on

the new building, and the company expects to move in late in June. The official dedication ceremonies will be on July 13 followed by open house the same afternoon and several evenings of the following week.

Shenandoah Life—Every month has shown an increase in paid for ordinary over last year, the total gain for the five months being 55 percent. It has \$203,560,920 in force.

Reliance Life—New life insurance paid for totaled \$22,373,414 for the first five months, a gain of 2.4 percent over the same period of 1939. Life insurance in force reached a new high of \$492,827,605 as of May 31.

Bankers Life, Ia.—May new paid business increased 18 percent, totaling \$4,350,000. The total for the first five months is \$20,288,000.

Federal Life—Celebrating its first Cavanaugh Month in honor of L. D. Cavanaugh, who became president last September, new life volume written June 1-15 was 128.5 percent of the volume for all of June, 1939. Accident and health premium volume for the first half of June was up 14.8 over last year.

Compared to 1939, new life business written in 1940 showed gains of 10 percent in January, 16 percent in February, 37 percent in March, 59.9 percent in April and 106.7 percent in May.

Additional Appropriation Made

NEW YORK—An additional appropriation of \$10,000 has been granted the joint legislative committee on the recodification of the insurance law of this state. R. Foster Piper of Buffalo continues as chairman of the committee.



AS FAITHFUL AS "OLD FAITHFUL"

The Low-Down on The Industry

No industry... life insurance included... can remain absolutely static for very long. New ideas, new products, new people, new vigor and new organizations constantly forge ahead to supplant accepted leaders of the past and present.

That has been the economic history of mankind since the dawn of time.

Just as surely as you can see such changes of the past... so during the next twenty years you will see important changes in the accepted life insurance picture of today. The Mutual Trust Life has been... and still is being... built to be one of the really outstanding life insurance companies of these next twenty years.

By outstanding companies we mean... low net cost... low mortality... assured stability... conservative assets... and a highly desirable product.

MUTUAL TRUST LIFE INSURANCE COMPANY

135 S. LaSalle St.
CHICAGO

One of 24 purely mutual, net level premium, 3% reserve companies in the United States.

(Advertisement)

New Sales Portfolio Ties in With Direct Mail; Has Novel Chart

CINCINNATI—An impressive sales promotion campaign which uses direct mail and a new visual sales portfolio will be put under way by Ohio National Life. Both the direct mail piece and the visual sales portfolio are based on the fundamental idea that man's primary struggle throughout the ages is for security. Even primitive man worked to store up reserves for future use, although he had to fight for his daily existence and for the protection of his family, it points out.

The direct mail piece and sales portfolio show that modern man, too, has the same problem of personal and family security. The inventive genius of the human race has so simplified the process of acquiring economic security that today individuals are often guilty of putting it off, because it is so easy. The five steps necessary to safeguard lifetime security, it is pointed out, are a clean-up fund, minimum income or salary continuance, life income for wife, educational plan for the children and retirement income. With the mailing piece, a return post card is provided with provision for checking the type of plan in which the prospect is interested.

The visual sales portfolio which carries out the same theme and uses the same vivid colors in the printing and illustrations as the mailing piece, taking the five steps in logical sequence, ties up directly with it.

A novel feature of the sales kit is a chart which shows in visual form the adequacy or inadequacy of the prospect's insurance in relation to the five fundamental needs. It contains five slots, one for each need, with a scale on the left. The slot indicators are strikingly printed in green, red and yellow, and may be adjusted to the individual's specific situation.

In order to demonstrate the practical use of the chart let us assume our prospect is a married man age 35, whose wife is age 30. They have one child. The prospect desires \$10,000 to be paid in cash at death and wants \$150 a month for ten years for his wife with \$100 a month for life for her thereafter and also wants his son to receive \$60 a month during four years of college. With these facts in addition to knowing that the prospect's present insurance provides \$3,000 clean-up fund, and \$25 a month salary continuance, and \$25 a month for a four years' educational plan, the

following example illustrates how the chart may be used:

Set the red tab under clean-up fund at \$3,000, which represents the amount of money needed for last expenses, including administration costs and inheritance taxes. Then this prospect has a \$7,000 mortgage, therefore, we place the yellow tab at \$10,000 (\$3,000 + \$7,000 = \$10,000). Thus, his shortage in the clean-up fund column would be visible by the red tab, or a total of \$7,000 to take care of his clean-up fund.

Under the salary continuance column, we find that he has provided a \$50 salary continuance for his wife, for ten years, but actually needs \$150. His shortage in this case would be \$100 as indicated by the visible red tab. The additional amount of insurance required to provide this will be \$10,406.

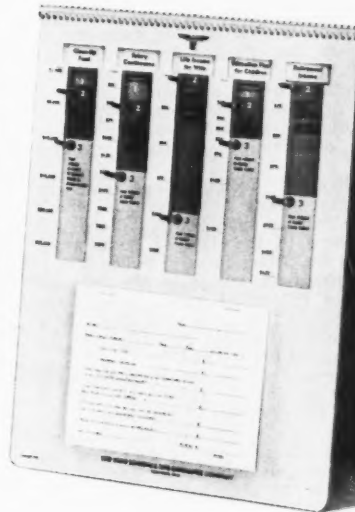
Continuing to column 3, life income for wife, we find that our prospect has not provided a life income for his wife, but feels that she should have an income of at least \$100 per month, which would require an additional \$19,685 of life insurance.

Column 4, educational plan for children, we find that our prospect has provided \$25 a month for four years in college, but feels that, actually, \$60 per month should be provided for his child. He would, therefore, have to provide an additional \$1,587 of life insurance to take care of this need.

Under the retirement income column, he has made no provision whatever for retirement income but states that he would require \$100 per month at age 65. This requires approximately \$15,000 of cash value which, of course, if he lives through this age, may be provided by the utilization of the life insurance which he has purchased for other purposes, plus such additional face amount, if any, as would be required to provide \$100 each and every month after age 65. In addition, the prospect would receive social security benefits in proportion to his eligibility under the social security act amendments of 1939.

Setting the chart to these figures a prospect may visualize his estate problem. The visible green illustrates what the prospect's present amount of insurance will provide. The visible red indicates the shortage in his estate program. His total shortage in this example would be

Areas marked No. 1 on the chart indicate prospect's insurance now in force. Tabs numbered 2 indicate face amount or income such insurance will provide, while tabs No. 3 indicate face amounts or incomes prospect states will be needed for self and family needs. Areas No. 1 are green, No. 2 red and areas No. 3 are yellow, giving a vivid portrayal of the prospect's life insurance program. A "picture taking" questionnaire is provided for use in obtaining a complete outline of the prospect's insurance program.



\$38,678 of life insurance, the summation of the above amounts.

Use of this chart in tested selling cases has proven that a prospect is emphatically impressed when he sees his life insurance estate demonstrated thereon.

A reproduction of the chart, along with the pages used in the approach to the demonstration is shown on this page and, therefore, reference can be made to it.

By referring to the Company's Handy Sales Kit, the amount of insurance for the additional incomes desired under columns 2 and 4 may be ascertained. Reference to pages of the Rate Book will give the monthly life income provided by \$1,000 of insurance. To determine the total insurance required to provide the additional monthly life income divide the desired monthly income by the product of the monthly life income provided by \$1,000 and the compound interest factor taken from the date book. The following equation illustrates:

$$\frac{\text{Desired Monthly Life Income}}{\text{Monthly Life Inc. prov. by } \$1,000 \text{ at age desired}} \times \text{Compound Interest factor for number of years proceeds to be held on deposit} = \text{Amount of Insurance required}$$

Substituting values in the above equation on the basis of the preceding example our equation will be as follows:

$$\frac{\$100.00 \text{ (Amount of Monthly Life Income Desired)}}{\$3.78, \text{ mo. life income beginning at age 40 provided by } \$1,000 \text{ page 38 of Rate Book}} \times \frac{\$1,344, \text{ compound interest factor from page 42 of Rate Book for 10 years}}{1} = \$19,685$$

The sales portfolio has been enthusiastically commented on by those who have seen it. Its use will undoubtedly be found effective by those who use it since it ties in so nicely with the direct mail circularization.

Direct Mail Portfolio Ready July 1

Cincinnati—A revised issue of a direct mail portfolio will be released by the Ohio National, July 1. The portfolio embodies ten individual campaigns for various types of insurance needs and gives the field force a complete advertising plan.

The theme throughout the entire portfolio is "Mail Advertising is the Direct Link Between You and the Prospect." It points out that sales resistance may be materially decreased through consistent use and planned circularization.

The Company reports an increase of more than 100% in the use of direct mail since the beginning of the year.



(Advertisement)

POLICIES

Equitable Digests Its Policy Changes

The Equitable Society summarizes in understandable form certain changes that are required in policies under the New York law. So far as this company is concerned the changes are as follows:

1. Paid-up life insurance granted under Option (b) of the options on surrender or lapse is made participating.

2. Dividend accumulations are included in determining the non-forfeiture values.

3. Dividend accumulations may be withdrawn at any time prior to default and interest on such accumulations will be allowed to the date of withdrawal.

4. In the owner form of policy a provision has been added to the optional modes of settlement which permits the owner to elect to apply the cash value to the optional modes of settlement for the benefit of the insured.

5. The annuity settlement agreement formerly provided by rider P. F. 1274 is made an integral part of the policy.

6. The loan provision calls for interest at the effective rate of 5 percent per annum, payable only at the end of any policy year or upon repayment of the loan.

7. The Option B (2) has been eliminated from the convertible policy.

8. The change in the New York law makes advisable the withdrawal of the juvenile policy in New York State. The juvenile policy and the supplemental protective benefit to be used in other states will be materially revised to incorporate certain desirable modifications and improvements and this new policy will be made available as soon as possible after July 1. The present form will not be issued after July 1, and unless completed applications are received at the home office in time to complete issuance by July 1 the applications will have to be declined. However, on such cases, it will be in order to submit a new application for the new juvenile policy when the new form is ready for issue.

9. In accordance with suggestions of the field force, it has eliminated the use of the word "applicant" and substituted "person whose life is proposed for insurance" wherever possible in the new application forms.

10. Space is provided in the new applications for the permanent election of dividends.

11. The "double indemnity" rider is now designated in all cases as "additional indemnity" and its provisions have been revised. Additional indemnity will be available for all term insurance policies for which the rates will be the same as for this provision in an endowment policy of the same duration. If so included this provision may also be continued, without evidence of insurability, in the permanent policy upon conversion.

12. The disability provision has been revised and one of the most important changes is the insertion of an incontestable provision.

Prudential's Industrial and Intermediate Changes

On June 1, the Prudential removed surrender charges on weekly premium and intermediate contracts for the 20th and succeeding years. This results in somewhat higher surrender values after the 19th year. Intermediate monthly premium policies will now be written on children who are less than six months old.

For states other than New York, the company is offering a weekly premium industrial endowment at age 65 to be issued at ages 10 to 44, inclusive.

Complete Family Protection

Michigan Life has joined the list of companies writing the family group

policy. The contract is written on the 20-year convertible term plan. Adult members may convert before attaining age 55 or within 14 years from date of issue; juvenile members may convert upon reaching age 21, or within 14 years from date of issue.

Age	Prem.	35	40	45	50	55
0 to 10	\$10.53	14.65	17.68	23.18	33.41	49.63
15	10.93	14.65	17.68	23.18	33.41	49.63
20	11.47	14.65	17.68	23.18	33.41	49.63
25	12.11	14.65	17.68	23.18	33.41	49.63
30	13.03	14.65	17.68	23.18	33.41	49.63

Aetna Life Rules Liberalized

Aetna Life has liberalized its underwriting rules on scheduled flying. The following amounts (or the company's net retention, if less) will ordinarily be accepted standard: Up to 25 hours a year air line travel, \$100,000; up to 100 hours, \$50,000; up to 150 hours, \$25,000; up to 200 hours, \$15,000. On additional accidental death coverage; up to 25 hours, standard; up to 50 hours 1½ times standard; up to 75 hours, twice standard; more than 75 hours not accepted.

Massachusetts Meeting

The Massachusetts Association of Life Underwriters held its annual meeting in Worcester with representatives of six of the eight local association members present. Officers elected: President, Walter H. Boireau, Berkshire Life, Boston, to succeed L. H. Cook, Massachusetts Mutual, Springfield; vice-president, M. E. Keiser, John Hancock, Springfield; treasurer, C. D. Strout, John Hancock, in Boston; secretary, C. C. McElvein, secretary Boston Life Underwriters Association.

Advertisers' Program Committee

K. R. Miller, superintendent of agencies of the Atlantic Life, as general program chairman for the annual meeting of the Life Advertisers Association in October, has just announced the personnel of his committee: C. Sumner Davis, Provident Mutual Life; F. R. Brauer, Home Beneficial, and Micou Browne, Occidental Life, N. C.

Prouty Agency Enlarged

LOS ANGELES—The Prouty Agency of Connecticut Mutual Life will soon occupy an enlarged and modern suite, which is now nearing completion on the eighth floor of the security Title Insurance building, as the business and full time agency associates of the Northington agency will be transferred to the Prouty agency, under the leadership of Phineas Prouty, Jr., July 10.

Under the new setup A. J. Gillette, now associate general agent of the Northington agency, will become supervisor of the agency's territorial development. George Brady, supervisor of the Prouty agency brokerage department, will direct its activities. W. R. Hoefflin, Jr., agency supervisor, will continue in his present capacity, but with an increased number of men under his supervision.

Reserve Loan Appointment

The Reserve Loan Life of Texas has appointed Cain & Jones as managers for the home office agency with headquarters in the Kirby building, Dallas. The firm, established by J. S. Cain and B. J. Jones, will supervise Dallas and about 30 counties in north and east Texas adjacent to Dallas.

Mr. Jones, identified actively with the life insurance business in Dallas, was one of the organizers of the Great National Life. He has served as a personal producer, general agent and as company agency director.

Mr. Cain, a newcomer to the life insurance business, has for 15 years been an automobile dealer at Ennis, Tex. He recently completed the Life Insurance Research Bureau course at Mineral Wells.

Harry Andrews, Provident Mutual Life, spoke on "Life Insurance and Taxes" before the Insurance Women's Club of Tacoma, Wash.

STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gives the following stock quotations for life companies as of June 18:

	Par	Div.	Bid	Asked
Aetna Life	10	1.40*	25 1/2	27
Central, Ill.	10	...	10	...
Cent. States Life	5	...	1	2
Colum. Nat. L.	100	...	67	73
Conn. Genl.	10	...	25	27
Contl. Assurance	10	2.00	34	36
Federal Life	10	...	4 1/2	5 1/4
Great Southn. L.	10	1.30	18	20
Kan. City Life	100	16.00	350	400
Life & Cas.	3	...	9 1/2	10 1/2
Lincoln Nat.	10	1.40*	26	28
New World Life	10	...	4	5
No. Amer. Life	2	...	2	2 1/2
N. W. Natl. Life	7.50	...	11	12 1/2
Ohio Natl. Life	10	1.25	26	28
Old Line Life	10	...	10	12
Sun Life, Can.	100	15.00	190	240
Travelers	100	16.00	395	410
Union Cent. Life	20	1.20	23	25
Wis. National	10	1.00	16	18

*Includes extras.

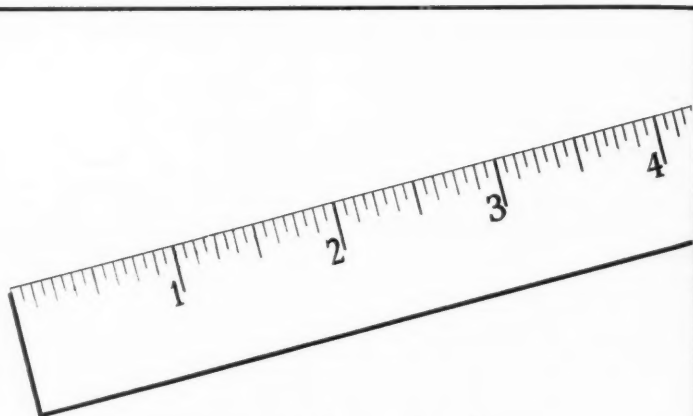
Policyholders Publications

R. B. Helser, supervisor field service of the Home Life, addressed the Keystone group of the Life Advertisers Association at Philadelphia on "Where Does the Policyholders Publication Stand in the Life Insurance Scheme of

Mutual Life of New York Makes June "Youth Month"

The Mutual Life of New York dedicated June as "Youth Month." This is an unusual recognition of a highly important class of people. Its advertising has been built around the fact that young people are featured in June largely as graduates from schools and colleges, many are just taking new positions and starting out in life and many others are having June as a bridal time. The Mutual Life interpretation of one of the values of national advertising is that once a message has reached its mark it should be a signal to the agency force to move without further delay in the direction of the reader and sell him. As the Mutual Life says, "Careers are begun and homes are begun, so why not life insurance program?"

Things?" He said a publication of this character is meant to make friends and influence people for the salesman. He pointed out that a policyholders' publication "must never begin on an experimental basis. It must be started and committed to a long haul and designed to accomplish objectives that definitely can be reached but modestly begun."



measuring rod

Being "agency-minded" gets far more than lip service at The Franklin.

Among chief executives who have carried rate books and know the problems of an agent first hand, it means that every agency question must meet an inflexible measuring rod:

Will this help sell?
Will it protect broader needs?
Will it put more money in agents' pockets?

This standard measure, an outgrowth of the belief that to have a good agency force you must have a prosperous one, has resulted in an exceedingly attractive line of modern policies and alert help in selling.

56 Years of Distinguished Service

Over \$177,500,000.00 Insurance in Force

FRANKLIN

LIFE INSURANCE COMPANY

Springfield, Illinois

CHAS. E. BECKER, President

CAA Pilot Training Presents Problem

(CONTINUED FROM PAGE 1)

students are closely supervised, but later on when they are on their own and beginning to try out their wings. It is for this reason that it is necessary to charge a substantial extra premium on student pilots, even though the hazard while they are students is not high.

Long Range Civilian Developments

With the war angle overshadowing everything else, underwriters and actuaries are not yet worrying much about the long term implications of the civilian pilot training program and the mass production program for thousands of airplanes. It seems clear, however, that whether or not the United States becomes involved in war, widespread use of the airplane for pleasure flying will be pushed years closer by projected defense activities. While it is possible that the use of planes will be as common as automobiles before long, the presumption is that there will be an intermediate stage during which planes will be owned and ridden in by a relatively small group, although the group would be as many times as large as it is now. This would call for an extra premium to take care of the extra hazard, unless aviation safety increases markedly by that time.

If the airplane comes into as general use as the automobile there would be no need of an extra premium, even though safety did not improve much, for everybody would be about equally exposed and there would not be enough non-users to warrant different underwriting treatment.

The presumable future growth in private plane ownership has been likened to that of automobiles, which were owned by relatively few before mass production methods brought the price within the means of almost everybody.

It has been pointed out that application of mass production methods to aircraft may result in popularization of air travel even more swiftly than the case of automobile travel. The airplane, being simpler, could be produced more cheaply on a mass production basis than can an automobile.

For example, the lowest price private airplanes cost about \$1,400, approximately twice the price of a standard low price automobile. However, if automobiles were made by the non-mass-production methods still used in turning out airplanes, it is said that a Ford, Chevrolet or Plymouth would cost in the neighborhood of \$5,000 to build.

War Clause Subject Is Now a Pertinent One

(CONTINUED FROM PAGE 1)

the time of paying the first premium due hereon, if the insured shall be then so engaged, the insured shall pay to the company at its home office in—such extra premium as may be required by the company, and in like manner shall pay annually thereafter on each anniversary of this policy, or within one month (of not less than 30 days), while the insured shall continue to be so engaged, such extra premium as may be required by the company.

"Within one year after the termination of the war the company will return such portion of the extra premiums as in its judgment will not be required to cover the extra hazard."

Would Repeat 1917 Action

Some officials think the best plan to pursue would be to call attention of the commissioners to the clause their association adopted in 1917 and have them use that as a model inasmuch as it was endorsed at that time.

As changes in the war situation continue with great rapidity, companies are getting solicitous and desire some action

taken so that they will not be caught without proper protection.

WILL WAIT ON OFFICIALS

NEW YORK—No adoption of a general war clause applying to all male applicants of military age is looked for until companies have had a chance to discuss the matter with the commissioners at their convention next week in Hartford. While the critical turn of events in Europe has made the war exclusion problem more acute, the wide diversity of state laws governing war clauses makes it desirable to hold off long enough to see if the commissioners will not agree on a uniform clause broader than anything that could now be drawn up that would be acceptable in all states.

No General Action Taken

For this reason no company has in recent weeks adopted a general war clause, although several had adopted them earlier. However, some of the numerous companies which were applying war clauses to applicants liable to military service abroad, such as nationals of belligerent countries, are now applying it to U. S. army and navy officers where the amount applied for is more than \$5,000. Some underwriting departments are even applying this rule to applications from reserve officers.

E. H. Knoop, 60, local agent in Saginaw, Mich., and agency manager there for the Michigan Life, died Monday as the result of a heart attack. He entered the insurance business there 17 years ago.

Life, A. & H. Agents' N. Y. Exam Schedule

NEW YORK—Examinations for life and accident health agents licenses will be held every month, except September and December, beginning with July and running through January, according to a schedule worked out this week in Albany at a conference between representatives of the New York department and the New York State Life Underwriters, the Life Presidents Association, the life companies and the accident and health companies. Examinations will also be held in September and December if possible.

The schedule will be July 11, Aug. 22, Oct. 17, Nov. 14 and Jan. 16. As in the past, the life examination will be held in the morning and the accident and health examination in the afternoon, each running for three hours.

Agency Observes 10th Anniversary

The George Quam agency of the Security Mutual Life of Nebraska at Minneapolis has just celebrated its 10th anniversary. In that time Mr. Quam has produced a volume of life insurance sufficient to give \$1,894,000 in force May 1. Of this amount 40 percent is Mr. Quam's personal production. Lacking his left arm, he has won for the 14th consecutive year the singles championship in Minneapolis at handball.

The Order of the Sons of Italy, a fraternal whose home office is in Cleveland, has been licensed by the Ohio department.

SECURITY!

Permanency, Happiness and Success are Guaranteed by our Financial Strength, Complete Equipment, Progressive Methods and Liberal Contract Provisions.

Our 1940 Expansion Program enables us to offer unusual agency opportunities in Ohio, Michigan, Indiana, Illinois, West Virginia and Pennsylvania.

Write

**THE OHIO STATE LIFE
INSURANCE COMPANY**
COLUMBUS, OHIO

1940 - 2040

THE FIRST

HUNDRED YEARS ARE NOT THE HARDEST

Not by a jugful. It's the first year, or two, or three, that are the most trying. At least that's so in the case of a wife left alone to bring up a couple of small children.

When the money earner dies there is usually a financial turmoil for the first year or two until the wife can pull herself together and decide what she is going to do to carry on. And it's not easy to make that decision when she is so upset and confused.

That's why The Columbian National Life Insurance Company devised its simple, practical FAMILY FINANCE PLAN—to give your wife a breathing spell. It pays a steady monthly income of \$100, \$200, or \$300—any amount you choose—during those first difficult years of readjustment. You decide how big the income shall be and for how long your wife ought to have it. We guarantee to carry out your wishes.

The **COLUMBIAN NATIONAL**
LIFE INSURANCE COMPANY
HOME OFFICE
BOSTON - MASSACHUSETTS
A NEW ENGLAND INSTITUTION

EDITORIAL COMMENT

Post-War Problems of Life Insurance

THE speed with which the European war has been moving indicates that life insurance may be having to appraise postwar problems almost before it has finished dealing with such immediate situations as war clauses. The prospect that Germany's power may bring a quick though tragic end to hostilities makes it wise to consider what lies ahead and how it may affect life insurance.

One development, once military warfare has ceased, is sure to be an equally bitter race for trade. Competition for world markets will be keen and very much on a price basis. In terms of life insurance this means that interest rates in this country will remain low, for factories, mines, and farms in this country will be competing for markets abroad

not only against cheap labor but against a politically directed economic machine that will sacrifice profits to advance what it conceives to be national interest.

Also tending to keep interest rates low will be the tremendous drain that will be necessary to arm the United States for defense. Few will argue against rearming with all possible speed but nevertheless it will be expensive and will take money that might otherwise go into enterprises that would in turn require capital loans. Life insurance investments, though virtually riskless, tend to be affected by the return on speculative investments. If no speculative profits are to be made competition for riskless investments continues to keep returns on the latter close to the zero mark.

Non-Callable Sinking Fund

THE life insurance "termites" might well give heed to some observations of Dr. S. S. Huebner of the Wharton School of Finance & Commerce at the University of Pennsylvania made in connection with "pure protection." The "termites," though very fervent in their advocacy of term insurance, which after all is temporary protection and has its uses, decry any investment form of life insurance.

Dr. Huebner made the statement that life insurance does not "protect" against the death of the breadwinner but it

guarantees to the beneficiary a decent investment and saving estate, or in other words, a decent income.

He presented a detailed analysis which showed how the combination of decreasing term insurance and investment account works out for the benefit of the policyholder and beneficiary. Dr. Huebner referred to life insurance as a "non-callable sinking fund" bond and said that a bond comes closer to filling the 20 odd characteristics of an ideal investment than any other known security.

Listening to the Younger Men

THE other day in Los Angeles there was a very unique gathering of life insurance men, they being managers and general agents of their companies in that city. It was a function sponsored by the Life Insurance Managers Association but the managers themselves sat on the receiving end and did the listening. They allowed the sons of managers to do the talking and recommending.

The sons expressed their views very freely with their fathers present. They did not hesitate to reflect on some of the practices that were permitted to continue. They pointed out where improvement could be made. There were some very excellent observations coming from this younger generation.

Sometimes those in older years with much experience are prone to regard their opinions and conclusions as correct and so they may have been as applied to operations of the past. We dis-

regard sometimes the younger men who have a right to be heard. These are changing times and customs are altered. There is a new viewpoint, an entirely new vision. We do not want to scrap entirely all the fundamental virtues on which our civilization was built, because they are just as important as ever. However, in the application of these virtues to business life, we must not lose sight of the newer outlook and the different viewpoint.

We urgently need those of the older generation because of their conservatism, splendid experience, acquired knowledge and historical background. We need the younger men, the sons, to furnish us what might be called the "drive." Their enthusiasm, their ambition can be put to good use. They are of real benefit in interpreting the spirit of the modern times to the older men. It would be an excellent procedure for

other organizations in all classes of insurance once in a while to have the older men as listeners and the younger men as teachers.

PERSONAL SIDE OF THE BUSINESS

Because of the press of duties which require his presence in California, Commissioner Caminetti will not attend the convention of the National Association of Insurance Commissioners. However, California will be represented by Eugene Fay, chief assistant commissioner; H. A. Benjamin, assistant commissioner in charge of the liquidation department, and William Schleip, supervising examiner.

O. W. Perrin, associate actuary of the Penn Mutual, has been appointed by the president of the University of Michigan as a member of its Alumni Advisory Council.

Vice-president C. O. Fischer of the Massachusetts Mutual and Mrs. Fischer have announced the engagement of their daughter Catherine to Dr. G. M. Parker of Peoria, Ill. Miss Fischer is a graduate of Smith College, Class of 1938. Last year she did graduate work at Columbia University. Dr. Parker is a son of Dr. and Mrs. G. W. Parker of Peoria and attended the University of Wisconsin. He is a graduate of the medical school of Northwestern University. He interned at Passavant Hospital, Chicago; Evanston Hospital, Evanston, Ill., and Bellevue Hospital, New York City. For the past two years he has been associated in practice with his father.

Frank P. Samford, president of Liberty National Life of Birmingham, was elected governor of the 16th district of Rotary International at the 1940 Rotary convention in Havana.

James F. Oates, co-general agent Northwestern Mutual Life in Chicago, was awarded the alumni medal of the Northwestern University Alumni Association at its annual meeting for philanthropy work with church and youth groups and "for sustained devotion to the welfare of Northwestern University." He has been a trustee of the university since 1914 and was a member of the class of 1893.

H. L. Wessling, Chicago agent of the Travelers, and well known broker was elected president of Northwestern University Alumni Association. He is a former president of the Northwestern University Club of Chicago and the past year served as vice-president of the alumni association. He graduated in 1910.

Raymund Daniel of Atlanta, Ga., executive secretary Industrial Insurers Conference and former associate editor of the "Insurance Field," who has been at Mayo Clinic in Rochester, Minn., for examination and observation, returned to Atlanta this week.

Carl Kloppenburg, general agent, Springfield, Ill., on completion of his 15th year in the App-a-Week Club, and W. E. McCabe, general agent, Rockford, for 14 years of regular production in the same organization, were rewarded by Franklin Life for their work, which has been outstanding in all departments.

O. I. Hertsgaard, general agent Mutual Trust Life, Minneapolis, has been elected a trustee of St. Olaf College, Northfield, Minn. He has been very

active in connection with affairs of the college for many years.

C. P. Carroll, vice-president of the Kansas City Life and one of its largest personal producers for many years, has just completed 35 years with the company. He has been vice-president since 1922.

Paul Becker, public relations manager Great American Life, San Antonio, Tex., and Mrs. Becker are receiving congratulations upon the arrival of a daughter, Patricia Ann.

F. P. Dearing, Florida manager of the Mutual Life, has just retired after 41 years of service in Jacksonville with that company. At a meeting of the Jacksonville Life Underwriters Association he was presented an honorary life membership and an engraved silver plaque.

Frank H. Lewis, general agent of the Massachusetts Mutual Life in New Jersey, with headquarters in Newark, for more than 40 years, was operated on last week.

Mary Etta Parker, daughter of Paul A. Parker, agency director Old Line Life of America, Milwaukee, was married to Julian H. Teague in Milwaukee. A reception followed at Ozaukee Country Club where the bride and other members of her family are among the best golfers and she is captain of the women's team.

Lyman B. Hughes, who is with his father, J. J. Hughes, Des Moines general agent, Northwestern Mutual Life, was married to Miss Patricia O'Neil, also of Des Moines. The day before Mr. Hughes was elected treasurer of the Des Moines Association of Life Underwriters.

Dan D. Fulmer of the Travelers has been elected president of the Columbus (O.) Junior Chamber of Commerce. He is attending the national meeting in Washington, D. C., this week.

DEATHS

J. L. Morford, 67, Lansing, Mich., district agent Lincoln National Life, died after a month's illness. He was president of the Lansing Life Managers Association and a director of the Lansing Association of Life Underwriters. Mr. Morford served in the legislature for a number of years.

William R. Nethercut, Sr., 81, former assistant counsel Northwestern Mutual Life, died in a Chicago hospital. He had been making his home with a son, William R., Jr., an assistant counsel for the Northwestern Mutual since 1936. Mr. Nethercut was taken ill while returning from California a month ago and because of his illness had been unable to return to Milwaukee. He had spent his winters in Pasadena since he retired in 1926 after 44 years with the company.

Leopold Goldman, 88, retired president and general manager of the North American Life of Canada, died at his home in Toronto. A native of England,

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he went to Toronto in 1872 and the following year joined the Confederation Life. He was secretary of the North American Life when it was founded in 1881, managing director 1903-1912, vice-president 1912-1916 and president from 1916 until his retirement in 1926. He was a former president of the Insurance Institute of Toronto and an associate of the Institute of Actuaries of London.

J. A. Clarke, 58, for many years leading Maine producer for the New York Life with offices in Portland, Me., died in a Boston hospital following two years illness. He was graduated from Bowdoin College in 1905, where he was prominent in track and baseball. He led all agents of the Maine branch of the New York Life in production from 1911 to 1935, except for one year.

Sidney L. Tucker, 39, of the Peoria agency of the Massachusetts Mutual Life died suddenly as a result of coronary thrombosis. Mr. Tucker worked as a part time agent while attending Bradley College and joined the agency on a full time basis in 1923. He had been secretary-treasurer of the company's Peoria agents association.

COMPANIES

Examination Report on Franklin Life

A convention examination has been made of the Franklin Life of Springfield, Ill., Illinois, Ohio and Texas participating. The date of the examination was Dec. 31, 1939, the assets being \$39,548,986, policy reserves \$37,282,481, capital \$250,000, net surplus \$1,178,750. Of its assets 13.14 is real estate, 20.7 mortgage loans, 17.4 policy loans, 35.7 various bonds, .87 stocks, cash 2.9. The report says that the claims have been adjusted in accordance with the terms of the policies. Its premium income was \$4,775,877, total income \$7,078,136, paid policyholders \$2,271,970, total disbursements \$5,113,458. It has insurance in force \$177,579,145.

American Mutual's Five-Month Report

DES MOINES, IA.—America's possible involvement in the European war will not as yet affect issuance of policies without war risk restrictions, President W. F. Senn reported to the annual policyholders' meeting of the American Mutual Life.

"We have determined for the present to continue issuance of all policies on the regular basis, without war restrictions of any kind," he said. "We feel that this is in line with the best interests of policyholders, and is likewise sound and justifiable insurance practice."

An increase of \$416,070 in assets since Jan. 1 to \$29,722,036, and a further increase this year both in new business and volume of insurance in force also were reported.

"For 18 of the past 19 consecutive months, the company has exceeded its sales for the corresponding months of

the previous year," President Senn stated. "Paid for business as a whole showed a 4.2 percent increase for the first five months compared with the same period the year before, and written and examined business a gain of 11.4 percent. At the same time, 19 of our general agencies show substantial increases in business over the first five months of last year, and membership in the weekly production club has increased nearly 50 percent. The rate of earnings also continues on a favorable basis, and the investment portfolio is in excellent condition."

Hughes with Union Mutual; Shreve's Territory Extended

G. M. Hughes has been appointed home office agency supervisor in the accident and health department of the Union Mutual Life. He has been in accident and health work for 10 years, most of that time with the Maccabees, both at its home office in Detroit and in New England. He will have his headquarters at the company's new branch office in the Chamber of Commerce building, Boston.

Frank E. Shreve, for the past four years accident and health home office supervisor, has been given increased territorial supervision. He will be actively

engaged in further company interests in western New York, Ohio and Pennsylvania and in addition to his direct territorial supervision will service existing agencies in Illinois, Indiana and Michigan.

Postal Life's Counsel Honored

N. L. Goldstein, general counsel Postal Life, has been elected secretary of the New York state delegation to the Republican national convention. A certified public accountant as well as a lawyer, Mr. Goldstein is a former deputy attorney general of New York state and was assistant counsel of the New York state legislative committee known as the Lockwood Housing Committee when the late Samuel Untermyer was its chief counsel.

The annual outing of the Minnesota Mutual home office staff was held at Lake Minnetonka.

Suits for forfeiture of charters have been filed by Attorney-general Mann of Texas against the Lincoln Funeral Insurance Association and Lincoln Burial Insurance Association, both of Jefferson, Tex.

W. C. Mullendore, executive vice-president Southern California Edison Company, and G. H. Scribner, member of the real estate firm of Winston &

Owen Joins Capitol Life as Department Manager

Arnett H. Owen, for many years associated with the American United Life,



A. H. Owen

Indianapolis, has taken up his duties with the Capitol Life of Denver. He is manager of policyholders service department.

A native of Indiana, Mr. Owen attended Indiana University, leaving to enter the army at the time of the first world war. His broad experience in life insurance work makes him particularly well equipped for the position to which he has been appointed.

Co. of Chicago, have been elected trustees of the Mutual Life of New York. Mr. Mullendore was assistant counsel to the United States Food Administration in 1917 and in 1922-23 was assistant to Herbert Hoover, then Secretary of Commerce.

Sound advice when you buy life insurance, and a helpful watch over your changing needs thereafter, can give you peace of mind and save you money.

Your N^WNL agent is not only trained but *paid* to serve you in this way; his earnings depend primarily not on the insurance you buy, but on the insurance you keep in force because it *satisfies* you.

(This is a reproduction of N^WNL's current national magazine advertisement)

NORTHWESTERN National LIFE
INSURANCE COMPANY



O. J. ARNOLD, PRESIDENT

MINNEAPOLIS, MINNESOTA

Man with seven years of organization and personal production experience wants supervisory or managerial connection for all or part of Iowa with privilege of later adopting territory on general agency basis. Past record of organization and joint agent production will be sufficient proof of ability. Age 36; family man, college graduate, farm background; 6 ft. 1 in. tall, weigh 200 lbs. Interested in permanent connection only. Can use present employer for reference. General reduction of field force reason for change.
ADDRESS L-72, THE NATIONAL UNDERWRITER
175 W. Jackson Boulevard Chicago, Illinois

SUPERVISOR WANTED

by strong old Mid-Western company. Must have had experience in selecting and training good men. Exceptional opportunities and unusual earnings for man who can qualify. State age, experience, etc. Replies confidential. Address L-74, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

LIFE AGENCY CHANGES

Sherrill Made Supervisor in Earls General Agency

CINCINNATI—C. C. Sherrill has been appointed supervisor in the W. T. Earls agency here of Mutual Benefit.

He joined the Mutual Benefit in 1937, and has distinguished himself in personal production. He will continue to devote a portion of his time to personal work as well as assisting Mr. Earls in the training and supervision of the younger men. Mr. Sherrill is a graduate of Lehigh University, class of 1935. He is studying for the C.L.U. designation and has already completed some of the courses. After his graduation from college, he received considerable sales experience with the Kroger and White motor companies before joining the Mutual Benefit. He is the son of Col. C. O. Sherrill, Cincinnati city manager.

Mr. Earls, who was a million dollar producer at the age of 30 before his recent appointment as general agent, is one of the youngest general agents ever appointed by the Connecticut Mutual. He has an outstanding agency of younger men and despite the short time in his present office, the agency ranked third in production among all agencies of the company in May. He is building up a brokerage account, this work being in the hands of Supervisor W. P. Shields, who has been with the agency 18 years.



C. C. Sherrill

Guarantee Mutual Names Four New General Agents

The Guarantee Mutual Life has appointed four general agents. L. D. Lowry, Beaumont, Tex., becomes general agent for eight counties adjacent to Beaumont. A former school teacher, he has been in life insurance sales work four years, and for the past two years has been manager of the California-Western States Life's Beaumont agency, from which position he recently resigned.

Arthur Lee of Fargo, N. D., will be general agent for 16 counties in central Minnesota, with headquarters at St. Cloud. Mr. Lee, a native of Minnesota with a wide acquaintance in his new territory, has been North Dakota state manager since 1931 for the Policyholders National Life of Sioux Falls. He plans to move to St. Cloud at once, and will open an office there about July 1.

L. D. DeVol, for 15 years an instructor and recently head of the business administration department of Midland College at Fremont, Neb., is general agent for seven counties adjacent to Fremont. Mr. DeVol has operated for the past two years as a part-time representative of the Occidental Life, and will now devote his full time to life insurance sales and organization work with the Guarantee Mutual.

J. D. Huston, for two years general agent for the Security Mutual Life at York, Neb., and who recently moved to Los Angeles, will be general agent for Ventura county. He will immediately establish his headquarters at Ventura.

McNeel Miami General Agent

R. M. McNeel, Jr., has been appointed general agent of the Volunteer State Life in Miami, Fla. He entered life insurance with the Aetna Life in Atlanta

and later was with the Penn Mutual in Atlanta office, going with the Union Central in 1929 and being transferred to Miami by that company as district manager for southeastern Florida.

H. G. Nenninger Promoted

Harold G. Nenninger has been promoted to manager of the brokerage department of the John A. Ramsay agency of the Connecticut Mutual Life in Newark. He entered life insurance with the Penn Mutual in Newark in 1935 and joined the Ramsay agency in 1937. About a year later he was made a unit supervisor. Morgan Monroe has been named agency supervisor.

Mutual Trust at Springfield

Following through on previously announced plans for development of its central territory, the Mutual Trust Life has appointed F. K. Hinchey general agent at Springfield, O. He is a veteran life insurance man with 18 years

experience in the business. Mr. Hinchey has been with New York Life, which company he represented after 16 years with the Metropolitan. He is president of the Springfield Association of Life Underwriters and vice-president of the state association.

Moll Made Beaumont Manager

Leo A. Moll, who has been a unit manager in the W. A. Gamble agency of California-Western States Life, San Antonio, Tex., has been appointed Beaumont, Tex., manager, with offices at 302 Goodhue building.

Extending Canadian Operations

The New York Life is extending its operations in Canada, having appointed Wilfrid Pocklington agency director. He was educated in England and after the war he engaged in general insurance business at Dauphin, Man. In 1923 he became an agent of the Confederation Life and later was its manager of the



It's "big news" for the Mortons. Jerry has qualified, for himself and Mrs. Morton, for the Bankers Life of Nebraska Convention this month. And what's more—for the first time it's being held away from the Home Office. This change of locale intrigues Jerry. He and the many other Bankers Life agents who attend are looking forward to an instructive and entertaining three days at "The Elms," the celebrated resort at Excelsior Springs, Missouri.

The Mortons deserve their trip. Jerry has taken full advantage of the many new helps that have been made available by his company. At the convention, in addition to having a "swell time," he and his fellow agents will be given many new ideas which will aid the continuance of their successes in this business of life insurance selling.

Bankers Life Insurance Co. of Nebraska

HOME OFFICE, LINCOLN—SINCE 1887

THIRTY-FIVE YEARS OF PROGRESS AND ACHIEVEMENT

The INDIANAPOLIS LIFE INSURANCE COMPANY, A Legal Reserve, Mutual Company looks back upon thirty-five years of progress, service and achievement. Its GROWTH has been steady, substantial and well-rounded.

INSURANCE IN FORCE NOW EXCEEDS \$112,000,000
ASSETS EXCEED 25,000,000

A REMARKABLE TEN-YEAR RECORD

From December 31, 1929, to December 31, 1939:

ASSETS INCREASED 129.6%
SURPLUS INCREASED 133.7

1940 HIGHLIGHTS

NEW BUSINESS is ahead of 1939.

GAIN OF INSURANCE IN FORCE is double the same period last year.

LAPSE RATIO—while always low, is LOWEST IN COMPANY'S HISTORY.

Fieldmen are equipped with a complete kit of modern policies and modern sales equipment.

Agency opportunities in Indiana, Illinois, Texas, Ohio, Michigan, California, Minnesota and Iowa.

Complete Life Insurance Service including Juvenile

INDIANAPOLIS LIFE INSURANCE COMPANY

Indianapolis, Indiana

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President

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2nd Vice-President, Supt of Agencies

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OUR VISUAL SALES KIT

is a flexible working outline for planned selling to every type of prospect. Its briefs and illustrations for each age and amount analyze policies from the policyholders viewpoint. It is but one of the new and effective sales aids that are helping our Underwriters earn more money.

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REPUBLIC NATIONAL LIFE INSURANCE COMPANY

THEO. P. BEASLEY - PRESIDENT

DALLAS

HOME OFFICE

TEXAS

Kingston and central Ontario division. He joined the Standard Life as manager at Ottawa in 1934 and was later transferred to Toronto. The New York Life has established offices at Montreal, Toronto, Winnipeg, Vancouver and Quebec. At the end of the year it had in the Dominion, \$134,855,249 in force.

Publications Man Enters Life Insurance in Houston

William T. Murphy, for many years southwestern manager of the Rough Notes Company, has resigned to become Houston manager for Southland Life.

Mr. Murphy joined Rough Notes in



WILLIAM T. MURPHY

1928, and in a short time was given charge of the southern and southwestern territory. Since that time, he has built a place for himself in insurance circles of the southwest. His acquaintance, particularly among life insurance executives, is broad and his interest in life insurance management, advertising and sales organization work has made him a factor in these fields.

After 12 years of extensive travel, Bill Murphy has decided to become established in Houston.

Rodney Burr to New York City

M. Rodney Burr has resigned as general agent of the New England Mutual in Albany, N. Y. He will move to New York City where he becomes a general agent for the Fidelity Mutual.

Makes Change in Dayton Setup

The Dayton, O., general agency of the Pacific Mutual Life has been discontinued and made a branch of the J. M. Gantz agency of the company at Cincinnati. W. L. Such, who has represented the Pacific Mutual at Columbus as an agent for five years, is appointed manager of the Dayton office. The Gantz agency has a branch at Columbus and has the northern Kentucky territory.

Hawkes Goes to Peoria

E. E. Hawkes, Jr., has been appointed general agent for Peoria, Ill., by Northwestern National Life. A graduate of the University of Michigan, Mr. Hawkes has had 12 years' experience in the business, first as a personal producer and general agent in Chicago, later as a gen-

eral agent at Columbus, O., and for the past two years as general agent of the State Mutual in Buffalo.

Howland District Supervisor

K. Z. Howland has been appointed district supervisor of the Sun Life of Canada with headquarters at Springfield, Mass. Mr. Howland began his life insurance work in Maine and has represented the Sun Life also in Boston and Providence.

Travelers Promotions

W. E. Pattee of the Newark office of the Travelers has been promoted from field assistant to assistant manager. He is an alumnus of the University of Arkansas.

B. R. Dodge, field assistant in the Grand Rapids, Mich., branch, has been promoted to assistant manager. He is a graduate of the University of Michigan.

Republic National Changes

J. G. Oltorf, the leading producer of the Republic National Life for 1940, who has been located in Tucson, Ariz., as associate general agent, has been made a general agent in Fort Worth with offices in the Fair building.

J. W. MacFedries, general agent at

Marfa, Tex., has been transferred to Abilene, Tex., for the purpose of expanding his agency.

NEWS BRIEFS

R. M. Cagle has been appointed brokerage supervisor of the J. B. MacWhinney agency of the John Hancock Mutual Life in Newark. He has been in life insurance work 15 years.

T. H. Spindle, field agency supervisor for the Amicable Life, who has had headquarters at Harlingen, Tex., has been transferred to San Antonio.

D. D. Hunt, representing the Security Life & Trust of Winston-Salem, N. C., has been transferred from Wilson, N. C., to Atlanta.

American Reserve Life of Omaha has appointed C. W. Henry general agent at Salina, Kan. Mr. Henry formerly lived in Kansas, but for the past nine years has been in the insurance business in Iowa.

The Dixie Life & Accident has appointed D. J. Hurt district manager, with headquarters in Little Rock.

Farm Management Men to Meet

Men who handle the farm properties of life companies in Minnesota will meet at Glenwood, Minn., June 21-22 to discuss their common problems.



A Popular Favorite

A Minnesota Mutual plan gaining wide acceptance is the Pay Roll Deduction Plan (now operating in over 350 firms) with advantages not found in other salary savings plans. An arrangement mutually attractive to employer, employee and agent.

In addition we offer our Field Force:

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9. Policies for every purpose: Regular—Family—Juvenile—Women—Group—Payroll Savings, etc.
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A \$230,000,000.00 Mutual Company, 60 years old with an understanding, cooperative Home Office.

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Saint Paul, Minnesota

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TO *Brokers:*

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a full line of

Life, Accident and Health

Coverage, plus

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5-Way Plan.

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INSURANCE COMPANY

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Leather Policy Wallets

Black grained leather policy wallets with 7 envelopes inside. \$1 ea. or 75c ea. in doz. lots. De-Luxe quality, leather lined, \$1.75 ea. or \$1.50 ea. in doz. lots. Cash with order unless rated concern (Cowhide Sales Pac, 1-inch rings, inside slipper pocket, \$3.50.)

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● The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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Realtors & Insurers

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• SALES • RENTALS
• MORTGAGE LOANS

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**Wheeler Kelly Haggy
Trust Company**
Wichita, Kansas

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Twin Cities
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A. C. Read II R. Redding Stevenson
Charles E. Dick
109 South Main Street
LITTLE ROCK, ARKANSAS

HOOKE and SLOSSON

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KENTUCKY

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McNeil S. Stringer, Pres

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Property Management

CALIFORNIA

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Appraisals

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LEASES

Property Management

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Complete Real Estate Service

Also Servicing Dayton
Home Office—Neave Bldg.
CINCINNATI, OHIO

LIFE SALES MEETINGS

Providence Agency of N. W. Mutual Life Meets

PROVIDENCE, R. I.—The Providence agency Northwestern Mutual Life held an all-day meeting at which, in addition to the agency force, were present from the home office, L. J. Evans, assistant director of agencies, and H. R. Ricker, assistant secretary.

Mr. Evans explained in detail the company's new salary savings plan and talked also on social security. Mr. Ricker, who has been with the Northwestern 41 years, is one of the best informed men on "Settlement Options," on which he spoke.

Featured was the presentation of the gold service button to the following: A. M. Walker, Taunton, Mass., 17 years; J. A. Paine, Brockton, Mass., 18; F. J. Band, Providence, 18; E. T. Lothgren, general agent, 14; A. S. Hudson, Warwick, R. I., 19; J. T. Platt, Providence, 22; A. E. Trotman, Westerly, R. I., 26; and W. E. Parker, New Bedford, Mass., 20.

ence, 22; A. E. Trotman, Westerly, R. I., 26; and W. E. Parker, New Bedford, Mass., 20.

National Guardian Eau Claire Rally

Frank Neu, general agent National Guardian Life, Green Bay, Wis., spoke on "Time Control" at a meeting of the A. V. Hurst agency at Eau Claire, Wis. Home office speakers were Richard Boisard, vice-president, and A. G. Schmedeman, Jr., superintendent of agencies.

Pacific Mutual 1941 Regionals

Regional conferences in 1941 at Sun Valley, Ida., and White Sulphur Springs, W. Va., have been announced by Pacific Mutual Life.

Agents who qualify in the territory from Kansas City west to the Pacific will attend the Sun Valley meeting, while all others will convene in White Sulphur Springs. Exact dates for the

two meetings have not been arranged, but it is expected they will be held in July. All agents, either new or old, will be eligible for attendance, and a system of graduated quotas has been worked out.

Metropolitan Men in Minneapolis

Three hundred agents of the Metropolitan Life Insurance attended an all-day educational conference in Minneapolis. Austin T. Schussler, superintendent of agencies, and S. D. Risley, assistant superintendent, were in charge.

Southwestern Life 1941 Dates

The Southwestern Life of Dallas will hold its 1941 agency convention May 21-24 at the Buccaneer Hotel, Galveston, with the Top Club meeting the first day and the Southwestern Life Club holding sessions the last three days.

Hamer Speaks in St. Louis

K. D. Hamer, assistant superintendent of agencies Union Central Life, discussed "Salary Savings Life Insurance

Plans" at a luncheon meeting in St. Louis, attended by agents from St. Louis and Springfield, Ill.

NEW YORK

KLEIN SHOWS IVORY PIECES

Manager Elias Klein of the Bookstaver agency of the Travelers in New York City, has had on exhibit in the office his collection of ivory carvings, rated by experts as the finest privately owned ivory collection in the United States. Most of the pieces are French, but there are some Flemish, Italian, Chinese and one Japanese. One of the carvings is of the mistress of a Rumanian king who reigned about 200 years ago. The statue was formerly owned by the present king's father.

One statuette, a bull, will be lent to the Borden exhibit at the New York world's fair. Mr. Klein recently added to his collection five exceptionally fine pieces which he purchased from the estate of the late F. S. Ewing, president of the Minute Tapioca and Postum Cereal companies.

JOINS C. B. KNIGHT AGENCY

I. A. Kelly, III, has joined the C. B. Knight agency of Union Central Life in New York. For the past four years he has been the leader in paid premiums and volume for a well known eastern company. Mr. Kelly is a member of the Million Dollar Round Table and is a past director of the New York Life Underwriters Association. For the third successive year he has been appointed on the committee for cooperation with life underwriters and trust officers.

SUN'S NEWARK OFFICE MOVES

The Newark agency of the Sun Life of Canada has moved to new offices occupying the entire 33rd floor of the Raymond-Commerce building. E. C. Hoy is branch manager, F. W. Merselis, supervisor, and C. A. Lewis, branch secretary. District offices will continue at New Brunswick under L. A. Campbell and at Paterson under H. R. Cromwell.

WEEKLY UNDERWRITER ALMANAC

The "Weekly Underwriter," 80 Maiden Lane, New York, has issued its 1940 "Insurance Almanac." The book sells for \$3. It is one of the most valuable insurance reference books published. It is chock full of information of all kinds. It is well indexed and laid out in way so that it is not difficult to find information sought. It answers a myriad of insurance questions.

BOWES AGENCY MOVES

The C. Vernon Bowes general agency of the New England Mutual Life in Newark has moved into new and larger quarters on the 25th floor of the Raymond-Commerce building. In the year since Mr. Bowes assumed charge of the agency it has climbed from 33rd to 10th place among the New England's offices. The first five months of this year showed a 117 percent increase over the same period of 1939. R. L. Cummings is production manager and T. H. Hartmann is associate general agent.

NEALE GROUP SUPERVISOR

J. Milton Neale has been appointed special representative in the group department of the R. E. Larkin agency of the Connecticut General Life in New York City. Mr. Neale has been an agent for the last six years and has made an outstanding record in group production. He will assist J. V. Whiteside, group manager. R. W. Buddington, special representative for the last one and one-half years, has been transferred to the Philadelphia office as special representative under H. E. Walters.

NEW U. S. LIFE GENERAL AGENT

The Gibas Agency, Inc., New York, under the supervision and direction of G. J. Gibas, will be general agent for United States Life in that vicinity. Mr.

OHIO (Cont.)

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Wm. P. Zinn & Co.
Dependable since 1906
81 Experts—60 Employees
At your service.
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REALTORS
Property Management
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Record of 37 Successful Years
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TEXAS

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REALTORS
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DALLAS, TEXAS

TEXAS (Cont.)

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LOANS
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MADISON, WIS.

Please Mention
The National
Underwriter
When Writing to
Advertisers

Gibas was formerly a general agent for Manhattan Life and prior to his promotion to general agent he served that company as unit manager for the Louis Gartlir agency, with which organization he became associated in 1935. He began his life insurance career in 1927 with Equitable Society and in 1930 was appointed group supervisor for the Weiller agency of that company. In 1933 he served as New York manager of Buffalo Mutual Life.

NEW YORK PRODUCTION FIGURES

Ordinary insurance production for May in New York City was \$48,984,000 as against \$48,372,000 in May, 1939, according to the estimate of the Sales Research Bureau, released through the New York City Life Underwriters Association.

CHICAGO

ATTEND REGIONAL CONFERENCE

Twelve members of the Charles J. Zimmermann agency for the Connecticut

Mutual Life in Chicago are attending the company's regional sales conference at Green Lake, Wis. The agency closed its month's drive for new business to determine qualifiers by establishing its 34th plus month in the last 35 months.

The agency's third anniversary cruise on Lake Michigan and dinner at the Naval Reserve Armory will be held July 3.

HINTZPETERS' LARGER OFFICE

E. C. & E. D. Hintzpeter, representing the Mutual Benefit Life in the 208 South LaSalle street building Chicago, under the supervision of General Agent Bruce Parsons, are moving to larger quarters. The new offices are triple the size of the former. The Parsons agency led all in the country in paid-for business the first quarter, and for the first five months it shows an increase in production of 33 percent.

H. I. House, 60, died at his home in Wichita, Tuesday, after a long illness. He was appointed general agent for the Penn Mutual in Wichita in 1903, serving until 1929, when he retired from active business. He continued as associate general agent, however.

Title Insurance Companies

• The title insurance firms whose cards are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

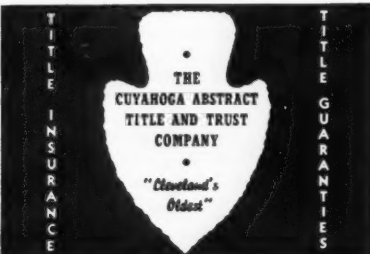
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Complete Title Service
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OHIO



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THE TITLE GUARANTY COMPANY

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Titles insured thruout Colorado.
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Oklahoma City, Okla.

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KANSAS CITY, MISSOURI

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for the Greater Kansas City area

NATIONAL TITLE DEPARTMENT

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ESCROWS
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COMPLETE RECORDS
Correspondents New York Life

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415 S. W. Sixth Street
Portland, Ore.

UTAH

INTERMOUNTAIN TITLE GUARANTY COMPANY

TITLE INSURANCE

Operates in Utah, Idaho and California. Policies accepted by Supt. of Insurance of the State of New York.

Home Office:
800 First National Bank Building
Salt Lake City, Utah

AGENCY MANAGEMENT

Uses Definite Plan in Recruiting Men

SAN ANTONIO, TEX.—The necessity of a manager having an organized presentation to show prospective agents the possibilities in the business was brought out by C. W. Klingman, Equitable Society manager, San Antonio, before the San Antonio Life Managers Club. To save time in talking with prospective agents, Mr. Klingman developed a graph which shows the prospective agent what he may expect in the way of earnings as he develops his business.

When considering prospective agents Mr. Klingman divides them into small and large policy producers. In dealing with these two types it is necessary for the agency manager to have two sales approaches to develop the different appeals that will reach men with different ideas of the kind of living they wish to provide for their families.

Gets Data from Prospect

Getting the applicant to talk through the use of specific questions, Mr. Klingman finds out what work he has been doing, the number of dependents, what his family expects of him, what the prospect's views concerning the immediate and the future are, and his age.

Mr. Klingman points out to men 40 to 45 that business organizations are not employing men within this age bracket, but that life insurance offers them an opportunity. Life insurance offers stable employment, freedom of initiative, control of own time, selection of those with whom the agent wishes to associate and the possibility of the agent's writing his own pay check.

Mr. Klingman does not urge that the prospect make an immediate decision. He suggests that he talk it over with his wife or that he bring her to the office so that the proposition may be explained to her. Mr. Klingman said he has never known a truly successful agent whose wife has not been thoroughly in accord with his plans and who has not had her heart in the work of her husband as a life underwriter.

Four out of five of these prospective agents come back after taking time to consider the picture as drawn for them, Mr. Klingman states. He says that three out of the four sign contracts.

Baltimore Managers Meet

At the summer meeting of the General Agents & Managers Round Table of Baltimore, Felix Rothschild, vice-president Sun Life of Baltimore, discussed "The Effect of the War on Life Insurance Companies." F. A. Savage, Jr., New England Mutual, is president.

Continue Columbus Leaders Club

The Columbus (O.) Life Managers & General Agents Association will form a leaders club again this year. Special honors will be shown agents in the agencies represented who lead in the number of lives insured and in the volume of insurance written.

Dent Is Birmingham President

E. E. Dent, Equitable Society, has been elected president of the General Agents & Managers Section of the Birmingham Association of Life Underwriters. He succeeds L. L. Jones, New York Life. Frank Marshall, Metropolitan Life, was elected vice-president and H. B. Wood, Pacific Mutual, secretary-treasurer.

Chief speaker was Prof. Hubert Greaves, Yale, now on tour for Massachusetts Mutual Life.

Howland Memphis President

F. W. Howland, Massachusetts Mutual Life, has been elected president of

the Memphis Life Managers Association. Ben Glasgow is vice-president; Lew Callow, secretary. The retiring president is A. Van Pritchard.

Moore Is Pittsburgh President

New officers of the Agencies Committee of Pittsburgh are G. Harold Moore, State Mutual, president; Harry H. Chase, Aetna, vice-president, and Ross S. Edgar, secretary-treasurer.

Gale Salt Lake Speaker

At the June meeting in Salt Lake City, the Utah Life Managers heard Fred Gale, superintendent of agencies Lincoln National, discuss "Selling the Job, and Hiring New Agents." He was introduced by Thorpe B. Isaacson, general agent there. The annual meeting will be held late this month.

The Boston General Agents & Managers Association held its annual outing at Coonemessett Ranch on Cape Cod.

The Pittsburgh Supervisors Club will hold its annual outing at the Summit Hotel, Uniontown, Pa., June 21.

The Life Managers Association of Portland, Ore., will hold its annual golf tournament at the Oswego Golf & Country Club June 25. F. A. Tatum, Manufacturers Life, is chairman.

Unemployment Ruling Made on Ohio Act

Life agents working under certain forms of contracts are not employees under the Ohio unemployment compensation act, according to a ruling of the common pleas court of Franklin county, Ohio, in Northwestern Mutual Life vs. H. D. Atkinson, administrator.

The court held that the general, district, special and soliciting agents of this company are not employees under the act. The decision is based on the ruling of the Ohio supreme court, April 10, this year, and that of the attorney general, May 10. The latter held that service performed by a person for one or more principals, where service is compensated on a commission basis, calculated on the amount of goods sold or on the results achieved, is not employment within the meaning of the act, and such person in the performance of such service is not obligated to devote any more time or effort than he chooses to the rendition of the service.

Promote Cincinnati Invitation

CINCINNATI—A meeting of the retiring and the new directors of the Cincinnati Life Underwriters Association will be held June 27 to discuss plans for promoting the invitation of Cincinnati to be hosts to the 1941 national convention. Ray Hodges, Ohio National, national secretary, is chairman of the convention committee.

H. C. Portwood, Bankers Life of Iowa, has been named a director of theavenport Lions Club.

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LEGAL RESERVE FRATERALS

Wis. Fraternal Congress Holds Mid-year Meeting

MADISON, WIS.—Resolutions opposing federal control of insurance and protesting the practice of forcing people going on relief to surrender life policies were adopted at the mid-year meeting here of the Wisconsin Fraternal Congress. J. P. Michalski, Milwaukee president, was chairman of sessions and named a legislative committee composed of Norton Williams, Neenah, president Equitable Reserve; S. A. Oscar, Madison, secretary of National Mutual Benefit, and Donald McDowell, Soldiers Grove.

Those participating in the program were: E. W. Nelson, field manager National Mutual Benefit, Madison, "Persistence;" J. M. Callahan, secretary Catholic Knights of Wisconsin, Milwaukee, "Fraternalism." Prof. E. A. Gaumnitz, director of life insurance classes, University of Wisconsin, told the congress of the work being done in his department toward the better knowledge of life insurance among interested students; Commissioner Duell presented a most interesting address, citing the aims of his department and giving some sound advice to the men and women field representatives present; S. A. Oscar, secretary National Mutual Benefit, Madison, led a discussion of state supervision of life insurance as compared with federal supervision; N. J. Williams, president, Equitable Reserve, Neenah, spoke on "Modern Underwriting Methods," and J. G. Grundle, secretary Catholic Family Protective Society, Milwaukee, addressed the meeting on cooperation among the fraternal societies in their relations with various state insurance departments.

Security Benefit Meeting

J. M. Kirkpatrick of Topeka has been reelected national president of the Security Benefit, at its annual convention being held in Denver. He has been head of the order since 1916. J. V. Abrahams, who was reelected secretary and treasurer, is president of the Topeka chamber of commerce. He has served as national secretary since 1908.

Skeene Elected in Michigan

BATTLE CREEK, MICH.—The Michigan congress of the Ben Hur Life held its 40th annual session here electing Charles Skeene, Detroit, as president. The Michigan congress has 35 local courts which had some 50 representatives in attendance. John Snyder, Crawfordville, Ind., national president, was among the speakers.

Neslen Speaks at Joint Meeting

Modern Woodmen of America and Royal Neighbors of America held a joint meeting at Rock Island, whose mayor declared the day fraternal day. Commissioner Neslen of Utah, president of National Association of Insurance Commissioners, was the guest speaker. Foster Farrell, secretary National Fraternal Congress, gave greetings from the national group.

O. E. Aleshire, national president Modern Woodmen of America, presided at the meeting. Short addresses were given by Mrs. Grace McCurdy, supreme oracle, and Dr. H. M. Carlson, Moline, supreme physician, both of the Royal Neighbors; W. L. Keepers, managing secretary Rock Island chamber of commerce, and J. G. Ray, national secretary Modern Woodmen.

Aid Association Federation Elects

A. H. Blankenburg of Appleton was reelected president of the Federation of the Aid Association for Lutherans at the annual convention in Kenosha, Wis. Other officers named are Ed Schmidt, Sheboygan, vice-president; Louis Freude, Appleton, secretary-treasurer; Charles

Fischer and A. G. Nickel, Milwaukee, members of the executive committee. A. F. Bucholz, Kenosha district representative, was chairman of the local committee on convention arrangements. Shawano was chosen for the 1941 convention. A. O. Benz of Appleton, Wis., president of the fraternal, was the principal speaker at the business session and also addressed the banquet.

Woman's Benefit Texas Parley

SAN ANTONIO, TEX.—Five hundred Texas members of the Woman's Benefit Association gathered here for their annual meeting. Mrs. Mary Baird, Port Huron, Mich., associate editor of "Tidings," association publication, and Mrs. Sally D. Botzler, Dallas, Texas field director, represented the supreme board.

North Star Benefit Leader

C. E. Moore, general agent for the North Star Benefit of Moline, Ill., at Lenox, Ia., has tied for first place with Rudolph Vetrein of Chicago in production for May. Mr. Moore's territory embraces 137 agencies scattered over the middle western states. He won a trip to the head office for achieving this honor. May was the largest month in the entire 40 years history of the North Star.

State Managers Gather

The annual meeting of Modern Woodmen's state managers was held at Rock Island, Ill. President O. E. Aleshire was in charge. Contract matters were presented by John C. Phillips, assistant to the president; analysis of the persistency record by states was given by Actuary Frank J. Gadiant; a talk on the fraternal counselor's degree by R. H. Platt of the field department; principles of life insurance underwriting and inspection procedure by Dr. E. A. Anderson, medical director, and Ted B. Numsen, chief of the underwriting department, and a discussion on various facts of the by-laws by Assistant National Secretary H. L. Ruff.

A banquet was tendered the visitors.

Protected Home Circle Rally

FLINT, MICH.—The Protected Home Circle held a three-day state convention here. S. H. Hadley, Sharon, Pa., president, was among the speakers and the visiting delegates were welcomed by Mayor Comins, himself a prominent life agent.

Invited to Study Idaho Code and Suggest Changes

BOISE, IDAHO—In response to an invitation from Governor Bottolfsen to serve on a voluntary committee to study the insurance laws of the state, a group of men representing all companies and agents operating thereunder met to review the existing code and to recommend amendments to the next legislature. Fred Ensign, Idaho Association of Insurance Agents, Boise, was selected as chairman and T. M. Walrath, direction of the bureau, was made secretary.

Others on the committee include: B. W. Oppenheim, Association of Casualty & Surety Executives, and the National Board of Fire Underwriters, Boise; Z. R. Miller, American Mutual Alliance and Idaho Benefit Association, Boise; W. E. Babcock, Idaho Association of County Farm Mutuals, Caldwell; H. C. Schuppel, Idaho Association of Life Underwriters; D. F. Crandell, representing life groups and company interests, Boise, and Foster Farrell, National Fraternal Congress of America, Chicago.

Director Walrath presented the problems encountered in administering the law in the past few months and offered

some suggestions as to what amendment and additions might be made to the code. After discussing at length the existing conditions, the members of the committee agreed to meet once a month, and at the next meeting to have available recommendations from the companies and associations they represent.

Mr. Farrell explained the new fraternal code which is being submitted to the fraternal committee of the National Association of Insurance Commissioners at the meeting next week in Hartford. The code follows both the Illinois and New York codes, Mr. Farrell said, and in summing it up, he pointed out that it was a code to more restrict the activities of the various fraternal organizations and give state insurance departments greater supervision and more discretionary power in dealing with these organizations.

ASSOCIATIONS

M. A. Linton's Speech at Indianapolis

INDIANAPOLIS—"No one should minimize the unsatisfactory consequences of disturbed world conditions upon our economic life. War in Europe and Asia and short-sighted tariff policies have disrupted foreign trade and prevented the normal intercourse between nations that is so essential to the attainment of full prosperity. However, a nation like America, with its 130,000,000 people, its natural resources, and its funds available for capital investment, provides within itself an economic unit so large and well supplied that it can make a great deal of progress above present levels, even though conditions abroad are unsatisfactory—provided we stay out of the war."

This was the declaration of M. Albert Linton, president Provident Mutual Life, in an address at a joint meeting of the Indianapolis chamber of commerce and the Indianapolis Association of Life Underwriters.

E. M. Spence, president of the Indianapolis association, introduced Mr. Linton.

Bridges Elected President of Virginia Association

ROANOKE, VA.—W. W. Bridges, Danville manager Metropolitan Life, was elected president of the Virginia Association of Life Underwriters at its annual meeting here. He succeeds E. B. Felty, Lynchburg. J. A. Patterson, Danville, was appointed secretary-treasurer. Five vice-presidents were elected: J. C. Costen, Roanoke; B. B. Snead, Martinville; G. W. Diggs, Richmond; R. M. Marshall, Norfolk; M. O. Culpepper, Staunton. Lewis I. Held, Richmond, submitted the report of the advisory committee of which he is chairman. H. C. Lawrence, Newark general agent Lincoln National Life and president of the New Jersey association, spoke.

Indiana Association Has Its Annual Convention

H. T. Wright of Chicago, vice-president National Association of Life Underwriters, was the guest speaker at the annual meeting of the Indiana State Association of Life Underwriters at Lake Maxinkuckee on Tuesday.

H. L. Rogers, Indianapolis, manager

Equitable Society, president of the state association, presided. Guests, officers and directors of the 15 associations in Indiana were entertained by Mr. and Mrs. Rogers at their summer cottage on the lake.

Guests from out of the state were Mr. Wright and P. B. Hobbs, Equitable Society, past-president Illinois association.

Presidents of the 15 local member associations comprising the Indiana association attended.

Quarter Million Banquet July 1

July 1 has been set for the annual "get-together" of the Quarter Million Round Table of the San Francisco Life Underwriters Association. The banquet and the outing will be combined this year and will be held at the San Francisco Fair.

Members of the round table are considering proposals to change the by-laws to permit those eligible in other sections of northern California to join as associate members and also to change the qualifications to include only those who pay for a minimum of \$250,000 annually and less than \$1,000,000. This would make a member of the Million Dollar Round Table ineligible for the Quarter Million group.

It is understood that similar provisions are being considered by the Los Angeles Quarter Million Round Table.

Ga. Association Meets June 21

AUGUSTA—The Georgia Association of Life Underwriters will hold its annual meeting here June 21 with N. B. Maddox, north Georgia general agent Connecticut Mutual, Atlanta, presiding. Mr. Maddox is president of the association. W. L. Fulghum, manager Retail Credit Company, Atlanta, will talk on "Purpose and Necessity of Inspection Reports;" E. E. Waller, agency organizer Mutual Life of New York, Savannah, "Present Day Selling;" E. C. B. Danforth, Mutual Benefit Life, Augusta, "Programming with Modes of

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Supreme President

Frances D. Partridge
Supreme Secretary

Port Huron, Michigan

Settlement," and W. H. Andrews, Jr., trustee National association and manager Jefferson Standard Life, Greensboro, N. C., "Membership in the National Association of Life Underwriters." All members will be guests of the Citizens & Southern National Bank, Augusta, at luncheon.

Norris Named in Cleveland

CLEVELAND—Ross M. Norris, Security Mutual, was elected president of the Cleveland Life Underwriters Association at the annual meeting. C. E. Pejeau, Massachusetts Mutual, was named first vice-president; W. J. Schmidt, Ohio National Life, second vice-president, and Howard Kelley Jr., Phoenix Mutual, treasurer. New directors are D. S. Connor, Metropolitan; C. E. Stumb, Reliance; H. E. Haiman, Northwestern Mutual, and Tom Card, Acacia.

Frank L. McFarlane, retiring president, Aetna Life, was presented a brief case. It was voted to have the retiring president continue as a director for one year.

The Portland (Ore.) Insurance Exchange joined with the Portland Life Underwriters Association and managers in a picnic at Jantzen Beach.

Fort Wayne, Ind.—John Johnson, Prudential, is the new president.

Pennsylvania—The office of executive secretary has been abolished. Tentative plans for making the position, which was on a part-time basis, a full-time job have also been dropped. A. S. Beshore, Equitable Life of Iowa, Harrisburg, has been working as part-time secretary.

Idaho Falls, Ida.—An educational program has been launched. The association will employ newspaper promotion space and will feature Holgar J. Johnson's weekly column in the Idaho Falls "Post-Register."

Rochester, N. Y.—Phil E. Needham, general agent Equitable Life of Iowa, has been elected president; Philip O. Works, Penn Mutual, vice-president; N. B. Read, reelected secretary-treasurer; T. P. Crowe, New York Life; P. D. Rupert, Provident Mutual; J. H. Gould, Prudential, and R. J. Toole, Union Central, directors. J. H. Davies is retiring president.

Plans are being made for a large attendance at the national convention in Philadelphia. W. F. Lutz is chairman of the "On to Philadelphia" committee.

Madison, Wis.—J. V. Hovey, Connecticut Mutual, was elected president succeeding Earle Wheeler, Mutual Benefit. C. R. Welton, Prudential, becomes vice-president; A. M. Mickelson, New York Life, secretary; Donald Williams, Metropolitan, treasurer. Mr. Wheeler becomes national committeeman. Robert Larson, Northwestern Mutual, and Henry Levestad, New York Life, were elected directors.

Racine-Kenosha, Wis.—H. M. Saugman, Lincoln National, Racine, has been elected president; Harold Shadd, Kenosha, vice-president, and E. G. Ranscht, Equitable, Racine, secretary.

San Jose, Cal.—E. V. Shipley, general agent Occidental Life, is the new president. Other officers are: Vice-president, Ed Carlson; secretary, Lawrence Gott; financial secretary, Elsa Smith; directors, F. Onyette, M. Atlas, D. Greenley, Arthur Oliver and Leonard Wells.

Mr. Shipley has been in San Jose as general agent since 1937 and before that worked out of the home office as division manager for the company. He was born in Kansas and has been in the life insurance business for 23 years.

Waco, Tex.—New officers are: President, John C. Sloan, Jefferson Standard Life; vice-president, Frank Moore, Southwestern Life; secretary-treasurer, Hugh Hackelman, Great Southern Life.

Superior, Wis.—Leonard Moran, Northwestern Mutual, has been elected president to succeed Alex Sprowls, Jr., Provident Mutual. Paul T. Galleher, Mutual Life of New York, was named vice-president, and F. W. Eling, New York Life, reelected secretary-treasurer.

Pittsburgh—John E. Davis, Massachusetts Mutual, has been elected president; R. M. Stevenson, National Life of Vermont, and W. J. Cummins, E. A. Woods Company, vice-presidents; W. Rankin Furey, Berkshire Life, treasurer. Directors are L. K. Babcock, Aetna; Barney Lipka, Prudential; Lawrence Malenfant, New York Life; C. B. Metheny, Fidelity Mutual; R. L. Pope, Sun Life of Canada; Erroll Ripley,

Northwestern Mutual, and Steacy E. Webster, Provident Mutual.

Dr. Solomon B. Freehof, rabbi of Rodef Shalom Temple, was the guest speaker.

J. R. Kinneman, Jr., vice-president Peoples-Pittsburgh Trust Company, and W. R. Furey have been elected chairman and vice-chairman respectively of the life insurance-trust committee.

Beaver Valley, Va.—A. O. Franklin, Monumental Life, has been elected president; E. H. Herbein, Prudential, and L. M. Alexander, Equitable, vice-presidents; Walter G. Yorke, Metropolitan, secretary-treasurer.

Washington, Pa.—Michael Cronin, Metropolitan, is the new president; R. K. Patton, Connecticut Mutual, vice-president, and R. M. Warrick, Reliance Life, secretary.

Sherman, Tex.—Organization of a new association with 24 charter members was completed with the election of officers: president, Ed Eikel, Aetna Life; first vice-president, R. P. Jarrel, National Life; secretary-treasurer, Clyde Ford, Franklin Life. Directors are Neal Gib-

son, Jefferson Standard Life; W. J. McGee, Franklin Life, and W. B. Gibson, Southwestern Life.

Valley Grande, Tex.—H. H. Johnson of Harlingen was reelected president; Carl Duke, Weslaco, named vice-president and George Allen, Harlingen, secretary-treasurer. Directors are O. E. Anglin, Sam Weems, J. O. Harris, C. S. Jackson and A. D. Leavell.

Big Spring, Tex.—New officers are: President, H. A. Stegner, Southwestern Life; vice-president, J. E. Pond, Great American Life; secretary-treasurer, Dalton Mitchell, Great Southern Life. Directors are W. W. Backer, Bankers Life; C. A. Amos, American National, and H. P. Steck, Fidelity Union Life.

Chattanooga, Tenn.—Hobson Mansfield, Massachusetts Mutual Life was elected president; Leland Waggoner, vice-president, and John H. Abbott, reelected secretary. Directors are Edwin Martin, J. H. McCallie, J. T. Burnett and E. L. Smith. Mr. Mansfield has been with Massachusetts Mutual in Chattanooga three years. Formerly he was agency secretary of the Volunteer State Life.

(CONTINUED ON LAST PAGE)

The American Way

Americans find it hard to believe the headlines they see in the newspapers today. For America is a peace loving nation. Americans are a peace loving people. They are opposed to force, dictatorships, wars.

Americans know that there is no way like the democratic way. They are determined that that democracy shall continue to survive.

The institution of American Life Insurance is democracy itself. It is the intelligent application by the American pioneers of the democratic principle, "of the people, by the people and for the people."

It was founded to provide protection against the common hazards of death and old age. It has been preserved through thick and thin to guarantee this protection. It has gone through wars, panics, famine and plagues. It will continue to go on.

So don't let this fear of war abroad slow down your selling. Young men and young women may have war scares today, but tired old men and old women will need money tomorrow; widows and orphans will need shelter, clothes and food.

Life insurance will provide these things long after the war is over.

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WINONA, MINNESOTA

M. A. Nation, President

Sales Ideas and Suggestions

Law Can Help in Selling Insurance to Meet Needs

MILWAUKEE—There is a wide field of sales activity in which the life agent can operate if he works in conjunction with attorneys to the mutual benefit of all concerned. F. J. Wilcox, Eau Claire, Wis., attorney, told the annual meeting of the Wisconsin Association of Life Underwriters in discussing the "Law Sells Insurance." The agent has the opportunity of soliciting business which the attorney has not, but he should not be misled by that opportunity into going beyond his proper field, Mr. Wilcox pointed out. Solicitation should be based upon a comprehensive analysis of the facts about the customer's problem. The agent should not give legal advice, but should seek it early in his contact with the client. It should be sought personally if necessary or the client should be persuaded to ask for it. "If you are careful not to give legal advice; if you are careful to get your facts completely and accurately; if you are careful to work in close cooperation with your client and his attorney, or with your own attorney, you will find as a result of this cooperation the law can and does sell insurance."

Every man knows that upon his death he is going to be required to pay in cash a substantial amount of taxes and of administration costs, Mr. Wilcox said. However, he does not know when his death is going to occur and it is not practical for him to keep a large amount of liquid assets or of currency on hand for this eventuality. Therefore, some mechanism must be set up which will provide him with the means of discharging these obligations without sacrificing his business or his investments, or by increasing the size of his estate, which, in turn, increases the taxes.

"These problems all focus themselves around the one salient fact of death. Life insurance also focuses itself around that fact. The lawyer, trained and experienced in this field, can always provide the machinery for the solution of these problems, machinery sometimes simple, sometimes complicated, but the machinery the lawyer devises is no different than the ordinary machinery of life. It requires some fuel to make it work. Life insurance furnishes the only source of that fuel; it is the only method by which a man can be assured of cash at the instant of his death which can be directed into the channels required to carry out the purposes of the legal machinery. A lawyer can devise the means by which the partner can provide for the payment to his widow of the value of his share in the business, and yet preserve the going business for the surviving partner, but it is only through your insurance that the funds can be provided to make the machinery work."

H. Lee Minton, manager Travelers, Milwaukee, was general chairman of the sales congress. Alvin Moser, Aetna Life, state president, was chairman of the morning session at which Mayor Zeidler of Milwaukee extended greetings and lauded life insurance as a great American institution, with response by E. H. Hoffmann, Milwaukee, Equitable Society.

With the injunction, "Don't Overlook the Little Ones," Earl M. Rice, Delavan, Wis., New York Life, told of his prospecting methods that have produced at least one application a week for 733 weeks, and at least 10 a month for six years. He pays for about 125 policies each year for an aggregate volume from \$175,000 to \$250,000. In a February-March contest this year, Mr. Rice wrote 60 "apps" that averaged a little more

than \$1,000. He emphasized that there are many little personal matters concerning the prospect that the life underwriter should make it a point to learn about in order to be better able to convert the prospect into a policyholder.

The new series of courses in life insurance instituted at the University of Wisconsin at Madison the past few years were described at the luncheon meeting by Prof. E. A. Gaumnitz, first full-time professor in insurance at the university and now completing the second year in charge of insurance courses. He explained how the course is designed to provide practical training in the fundamentals of life insurance and selling of policies, "streamlined" to fit the students' age.

At the afternoon session Leroy Bond, Milwaukee, unit manager Equitable Society and president Milwaukee Association of Life Underwriters, presided. Frank M. Sec, St. Louis general agent, New England Mutual, spoke on "The Ten Commandments for Closing a Sale."

Speaking on "Man and Government," United States Senator Alexander Wiley of Wisconsin told the present day relation between the two, dealing in part with specific relationship between government and the insurance business and its leaders. Senator Wiley analyzed the TNEC insurance investigation, pointing out that bigness of insurance companies does not necessarily imply badness. He also analyzed the constructive achievements which have made this bigness

New President of the Cincinnati Association



L. B. SCHEUER

L. B. Scheuer, general agent of State Mutual Life, the new president of the Cincinnati Life Underwriters Association, was a leading personal producer when he was an agent. Mr. Scheuer entered the business in 1920 after service overseas in the army, as an agent in the J. M. Gantz agency of Pacific Mutual in Cincinnati. Shortly afterwards he was appointed supervisor and in 1926 was chosen general agent for Pacific Mutual in Detroit. He was appointed general agent for State Mutual in Cincinnati in 1933, where he has since remained.

possible, and touched upon the defects which might be inherent in a system of federal supervision for insurance.

In discussing the place of the insurance business in defense mobilization, Senator Wiley analyzed the possible effect of such mobilization on the wealth of the insurance companies, and indicated how life policies would be affected by such bills as the Lee bill.

"Life insurance companies of the nation may well be a financial life-line in

these chaotic days," said Senator Wiley. "Insurance companies need not become unduly alarmed about any intelligent defense financing. Looming large in the picture of mobilization is the wealth of all of us centralized in our insurance companies."

The concluding speaker was C. Vivian Anderson, C.L.U., Cincinnati, Provident Life, past president of the National Association, whose subject was "Your Life Insurance Insured."

Interesting Sales Points on Current Tax Problems

CINCINNATI—Some interesting sales points and observations on current tax problems were given by David Stock, New York attorney, in an address before the Cincinnati Life Underwriters Association. He speculated on the possibility of a heavy increase in income taxes after election. He said that the new income tax, which is an increase of about 10 per cent over the present scale, would probably be amended after the election and be increased about 25 per cent, the present increase being largely a routine measure, Congress being unwilling to increase the tax burden to too great an extent before election.

About three years ago, Mr. Stock said, the Treasury department proposed that the family be considered a unit for income tax purposes, all income for members of a given family being considered as a single taxable unit and the tax pro-rated on the various members of the family in proportion as each had contributed, thereby doing away with the exemptions and deductions which are now possible through the use of the gift tax and other measures. It may be expected that such a measure will be proposed by the Treasury again in the future. A heavier income tax could be made retroactive to Jan. 1, 1940, he said, it of course not being possible to make a gift tax retroactive.

Mr. Stock suggested an approach to younger people under 45 where there is considerable wealth in the family. He said that life insurance could be used to effect a saving in taxes of from \$22,000 to \$23,000.

Real estate is a troublesome problem in paying estate taxes. Assignments of current real estate income to charities are deductible from income tax.

Life insurance made irrevocably payable to charities may be taken credit for in computing income tax. It offers a real opportunity to wealthy people who wish to contribute to charities and cut down their income tax, he said.

To an increasing extent, wealthy men are purchasing life insurance on the lives of their young children. A father can get a policy on his 17 year old son, prepay the premiums a number of years in advance, and by the time he has reached 25, he has a nice investment, Mr. Stock asserted.

The Bailey case, in his opinion, has been given more significance than it merited. Fundamentally, he said, the case held that death is merely an incident to the contractual part of the agreement and nothing passes. Since the case was decided, the Bureau of Internal Revenue has acquiesced in two cases that insurance assigned is not part of the insured's estate.

The important principle in setting up a trust is that some one will always get the remainder if the settler dies. Care must be exercised in creating trusts to include such a provision and it is important to examine present trust agreements in the light of present conditions. When existing trusts contain a reverter provision, they should be revised to have

the settler relinquish or assign his reversion interest.

If a beneficiary elects to take the proceeds of a matured endowment in the form of an annuity, the Treasury has ruled that there is no income tax on the instalments, although only \$8,000 has been paid in on a \$10,000 policy, Mr. Stock said.

In the past, U. S. Supreme Court decisions have tended to favor the taxpayer, Mr. Stock observed. However, with the increasing pressure on the government's need for greater revenue, it is tending to decide in favor of the government. He pointed out, however, that it has not yet gone off "the reservation." Income taxes for the man in the middle income brackets have increased tremendously. A man with \$7,500 income and a wife and two children pays about \$120 a year. Under the new scale he will pay \$750 to \$1,000 a year.

Must Face Facts and Problems

CLEVELAND—There is a tendency to sidestep realism when the going gets tough, C. Preston Dawson, New York general agent, New England Mutual, declared before the Cleveland Life Underwriters Association. "To be a success we must face the facts and problems."

Mr. Dawson recommended the use of a control sheet on which are recorded activities on business and prospects, centers of influence, new prospects, age changes and call backs. "Essentially everything we do comes under these headings. Service is too often set up as an excuse for lack of production."

A study in Mr. Dawson's agency showed that out of 30 men, 18 were using control sheets and they were the leaders.

Mr. Dawson recommended the more thorough use of centers of influence in getting necessary data before a call is made on a prospect. His agency has a directory of the centers of influence so that it can be determined what agents have an entree to certain firms.

Too many agents permit the prospect to take control of the interview. "There is one thing a prospect won't turn down and that is 'ideas.' The service approach is good. The thing we seek more than anything else is security, so why not talk security. It's the feeling of insecurity that makes the prospect ill at ease."

Tumblety to St. Lawrence Life

BOSTON—P. E. Tumblety, for 38 years with the Columbian National Life, the past ten years as home office representative and chief claim examiner, has resigned effective Sept. 1, when he will become vice-president of the St. Lawrence Life of New York. He served last year as president of the Boston Life & Accident & Claim Association and has been prominent in the International Claim Association.

ASSOCIATIONS

(CONTINUED FROM PAGE 18)

Terry Archer, retiring president, announced that a goal of 100 members had been set for the association and that the present membership is 96.

Prof. Hubert Greaves of Yale University, who is working with the Massachusetts Mutual, spoke on "Helping People Not to Be Misunderstood," pointing out some of the ways that life insurance is "perverted" by agents in their presentation to the public.

Concord, N. H.—New officers are: President, R. M. Bartlett, Metropolitan Life; vice-president, John Clinton; secretary-treasurer, J. E. Davis; national committeeman, W. F. Grant; directors, R. E. Crowell and William Goldthwaite.

Salt Lake City—J. H. Harrop, tri-state manager Equitable Society, was elected president succeeding Frank Mozley. Other officers are: Vice-presidents, K. K. Kroque, Business Men's Assurance, and J. H. Tomlinson, Prudential; secretary-treasurer, M. Rasmussen, Metropolitan; directors, S. A. Kent, Prudential, chairman; F. J. Wagstaff, Mutual Life of New York; H. J. Syphus, Beneficial Life; F. Edward Walker, United Benefit Life; Carl R. Marcussen, Pacific National Life; W. M. Jones, Business Men's Assurance.

Harrisburg, Pa.—At the annual meeting June 25, C. J. Zimmerman, president National association, will speak.

Cincinnati—More than 2,000 attended the local premiere of "American Portrait," which was presented under the auspices of the Cincinnati association to the public. L. B. Scheuer, the new president of the association, was presiding officer. Arrangements for the showing were made by C. H. Wible, Provident Mutual. C. V. Anderson, Provident Mutual, and James Maxwell, Union Central, gave a life insurance skit. Other speakers were Mayor Stewart of Cincinnati and J. D. Grannis, Jr., Penn Mutual.

Boise, Ida.—Max Sarvis is the new president succeeding R. F. Cottle. Clayne Robinson is vice-president, and R. D. Crow secretary.

Columbus, O.—G. L. Hill, director of agencies Northwestern Mutual, spoke at the closing meeting on "Taking Stock." V. C. Smith retires as president July 1, when E. J. Staton succeeds him.

Texarkana, Ark.—Officers elected are: President, W. E. Hatcher; vice-president, J. W. Stevens; secretary-treasurer, A. E. Cross; directors, James Case, Claude Martin and C. M. Wilson.

Little Rock, Ark.—Tom L. Harder, Sun Life, was elected president; Van Weathersby, Mutual Life of New York, vice-president; G. H. Wittenberg, Jr., John Hancock Mutual, secretary-treasurer; S. R. Cockrill, Aetna Life; A. W. Craig, Metropolitan Life, and J. R. McAllister, National Life & Accident, directors.

A. B. Hill, Union Central Life, retiring president, presided. A membership of over 100 was reported.

Des Moines—G. J. Pfanz, Union Central, was renamed president at the annual meeting. He was named to the office a month ago to fill the vacancy.

Detroit Chief

DETROIT—William A. Post, assistant manager in the Detroit agency of the Connecticut General, has been elected president of the Detroit Association of Life Underwriters. He succeeds Richard T. Smith, general agent Travelers. Other officers elected were Jay L. Lee, general agent Phoenix Mutual; H. Ben Ruhl, Massachusetts Mutual, and Lyman Malone, Sun Life of Canada, vice presidents; Clyde Manion, Equitable Society, treasurer, and F. E. Pomeroy, New England Mutual, secretary. The 1940-41 season promises to be particularly active for the new officers inasmuch as the Detroit association is making a strong bid for the 1941 national convention.



W. A. Post

caused by the resignation of Fremont South. Grady V. Fort, Equitable Life of Iowa, was elected vice-president; H. A. Montrose, New England Mutual, secretary; Lyman Hughes, Northwestern Mutual, treasurer. W. K. Niemann, Bankers Life of Iowa, is state committeeman and new directors are T. B. Read, Mutual Life, A. H. Pickford, Provident Mutual, S. R. Fisher, Connecticut Mutual, D. D. Davidson, Aetna Life, Fred Brown, Central Life, and L. J. Myklebust, Northwestern National.

The reelection of James Rutherford, Penn Mutual, as a national trustee, was endorsed.

C. Petrus Peterson, general counsel Bankers Life of Nebraska, spoke on the "Search for Security."

Jackson, Mich.—Dale J. Kerr is president; E. G. Velthouse, vice-president; C. R. Gary, secretary, and Carlton Watner, treasurer.

Vicksburg, Miss.—George Witham, Metropolitan Life, has been elected president. He is also vice-president of the Mississippi association.

C. L. U.

Philadelphia Election

A. F. Mason, Equitable Life of Iowa, has been elected president of the Philadelphia C. L. U. chapter; E. F. Bailey, Equitable Society, vice-president; A. M. Baker, Provident Mutual, treasurer; F. G. Stull, Penn Mutual, secretary; R. H. Henshaw, Union Central, historian. F. A. Fish, Prudential, and Miss Alice E. Roche, L. F. Paret agency, Provident Mutual, directors. Dr. S. S. Huebner was the guest speaker.

Honor Dallas Candidates

About 25 Dallas life men who were members of the C. L. U. study classes sponsored by the Dallas chapter in preparation for the June examinations were honor guests at a dinner meeting.

Ben C. Ball, vice-president Republic National Bank of Dallas, said the C. L. U. movement is probably the greatest forward step toward putting life insurance selling on a professional basis.

Toastmaster was J. P. Costello, Southwestern Life, president of the Dallas chapter. R. E. Fried, American United Life, was in charge of arrangements.

C. L. U. Examinations

Approximately 1,760 took the fourteenth series of C. L. U. examinations which were held from June 13-15 at 88 different colleges and universities. The examinations were conducted regionally, centers having been established at accessible points, located in 43 states, the District of Columbia, and Hawaii.

Yetka Won't Attend Meeting

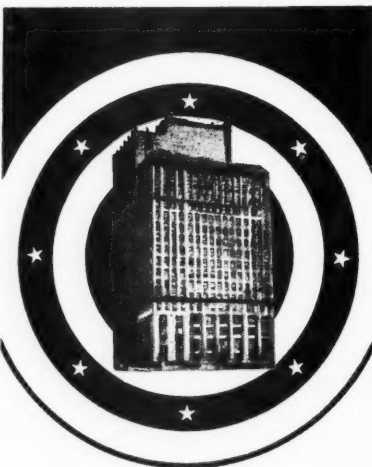
ST. PAUL—Commissioner Yetka of Minnesota probably will be unable to attend the commissioners' meeting at Hartford next week, but his department will be represented by E. J. Devitt, as-

sistant attorney general of Minnesota in charge of insurance matters. George W. Wells, Jr., secretary of the Northwestern National Life, Minneapolis, and a former Minnesota commissioner, plans to attend.

F. M. Hope, vice-president and actuary of Occidental Life of California, celebrated his 30th anniversary with that company when home office executives held a luncheon in his honor. Executive vice-president D. L. Clarke presented Mr. Hope a diamond 30-year service pin from the company and from his associates a handsome electric desk clock.

John C. Schneider, formerly assistant manager at Buffalo for the Metropolitan Life, has joined the home office staff.

Miss Eva Hardy, cashier of the Arkansas branch of the Northwestern National Life, has been elected president of the Little Rock Business & Professional Women's Club.



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• RECENT COURT DECISIONS •

Disability Issue In Several Cases

Unfortunately total and permanent disability provisions bring in more or less litigation. In *Link vs. New York Life* the Louisiana court of appeals, first circuit, finds for the plaintiff in a claim of this character. The plaintiff was a rice farmer and had a policy with the old total and permanent disability provision, providing for a waiting period of three months. His occupation required considerable hard manual labor and in 1933 he began to suffer from biliousness and indigestion. His condition grew worse until 1935 he was unable to work. He filed claim with the company and was paid disability benefits from March, 1936, until June, 1937. He claimed that he was entitled to recover continued payments from that time on and so long as his disability continued.

The higher court held that the weight of evidence established his claim. The New York Life admitted that it had made the disability payments but it averred that they were made solely on proofs submitted by the plaintiff. In addition to voluminous transcripts of both lay and expert testimony in the records, both sides filed exhaustive briefs. The higher court held that even driving a tractor is no weakling's job and to be a successful rice farmer one must work from daylight to dark during a good part of the year.

Another disability case was decided by the U. S. district court, eastern district of Missouri, in *Heilbronner vs. Mutual Life of New York*. The plaintiff was the guardian of the estate of her husband, the latter being a person of unsound mind. There were four policies issued providing for disability. A severe illness, the court found, caused the mind of the insured to become so impaired that he was no longer able to carry on his business activities or follow a gainful occupation. The U. S. district court said that his disability was and continued to be such as to fall within the "total and permanent" provisions.

The agent who had solicited the insurance and collected the premiums, after being informed and having the opportunity to observe the condition of the policyholder told the plaintiff that the insured was not deemed to be totally disabled as long as he was able to "sell pencils." The higher court said that this statement is clearly contrary to the interpretation of the courts. The agent continued to collect premiums for some time and arranged for loans. In this action, the higher court holds, payment of premiums was waived as of the date of the assured's total disability and therefore recovery is justified.

The assured was an officer of a corporation engaged in the manufacture of ladies' dresses with an office in Chicago. His wife was also employed by the same concern as a dress designer. Subsequent to the assured's illness in September, 1930, he continued to be physically present at his place of business but he was at all times, according to the testimony, under strict surveillance because of his mentally impaired condition. He took no part and he was mentally incompetent to participate in the active business and affairs of the company or in its management. The evidence showed he was provided with a small room where he occupied his time cutting out paper figures but he was totally incapable of carrying on any business or conducting any normal conversation.

The court found that the Illinois supreme court has stated that in interpretations of the policy of insurance they must be liberally construed in favor of the assured. The highest Illinois court has not passed directly upon the question of whether insanity of the insured

excuses the failure to furnish proof of disability as required by the provision. Exercising an independent judgment with respect to this issue, the court concludes as determined by overwhelming majority of state courts that have ruled on the matter that the total mental and physical incapacity of this assured excused the necessity of furnishing proof of disability. The agent, Karl B. Sobel, from time to time visited the office, talked to the assured and his wife and the court concluded that the agent had power to waive for defendant the provisions of the policy denying the right of agent to waive provisions and also had power to waive for defendant the provision of the policy requiring proof of disability.

Another interesting case involving the cancellation provision for disability benefits arose in *California-Western States Life vs. Scinstein et al.* The policy had lapsed for non-payment of premiums and the company reinstated it on application of the policyholder who represented that he was not then suffering from any "injury, deformity or symptoms of sickness," and that he had not consulted any physician for any ailment since the policy had been issued. The policy provided for total and permanent disability benefits. Five months after reinstatement the holder applied for disability benefits and in the application disclosed the names of doctors whom he had consulted both before and after he had applied for reinstatement. This was the first time that the company learned of the falsity of the statement made in the application for reinstatement on which statement the company had relied. It brought an action seeking to have the provision providing for disability benefits canceled.

The court found that the evidence as to the manner and place in which the application for reinstatement was made was conflicting. The plaintiff contended that the transaction had been handled by mail and that defendant held that it had been filled out in the office of the assured's son and in the presence of the company's agent. The trial court decided these issues in favor of the plaintiff company, holding that some of the answers contained in the application could hardly have been made in the presence of the agent without his objection or advice to the contrary. The defendant's contention that the breach of the policy had been waived by the plaintiff and that the extended insurance provision operated to continue the disability benefit provision in force were found to be without merit, said the court. Judgment entered by the trial court in favor of the company was affirmed.

Date Shown in Policy Ruled to Govern Premium Payment

A premium due date is determined by the time stipulated in the policy and not by the time the policy was delivered to the assured, the Tennessee court of appeals ruled in *Berry vs. Prudential*. Suit was filed to recover death benefits under a policy issued to the assured May 13, 1935, on a quarterly premium basis. The assured died Dec. 19, 1935, after having paid under reinstatement a premium due Aug. 13, but no further premiums. The Prudential held the policy lapsed for non-payment of the Nov. 13 premium and was not in effect at the assured's death.

The policy provided it would not become effective until delivered to the assured and the first premium paid, which occurred on about June 13. Plaintiff's theory was that June 13 was the effective date of the policy and future premiums on a quarterly basis should be figured from that time. This would have placed the assured's death within the grace period. Verdict for the company was rendered by the lower court,

which was affirmed by the appellate court.

The latter court held certain benefits and rates were enjoyed by the insured as the result of the policy being dated May 13, but that was the effective date for calculation of the dates on which premiums were due, and that the great weight of authority and the sound rule was that the anniversary date of the policy and the specific provision designating the premium due date must control.

Double Indemnity Questions Arise

The double indemnity clause enters into considerable litigation. The Georgia court of appeals in *Iltner vs. New York Life* had such a case. The body of the policyholder was found partially putrefied in a swamp and some distance from his abandoned automobile two days after he had left his home on a business trip. There were numerous wounds, gashes, cuts, bruises and stabs on his body and a belt had been wrapped about his neck with a stick placed in a loop so as to form some kind of tourniquet. In attempting to recover under the double indemnity clause the plaintiff claimed that the assured had met his death by accidental means. The company contended that he had committed suicide and that the plaintiff was not entitled to double indemnity.

At the trial the court admitted testimony of a certain witness to the effect that he did not believe the wounds to be self-inflicted; of another witness who referred to a place where the first "scuffling" took place; and yet another witness who said that he did not believe that any man could have so wounded himself and then fixed the tourniquet. On appeal the higher court finds that such testimony should not have been admitted and that the court erred in admitting the testimony as to the first witness, the two doctors and the last witness. There was some reference in the record as to scuffling so that the reference therein was not prejudicial. The lower court's judgment is reversed.

The United States circuit court of appeals, fourth circuit, had a case involving double indemnity in *Moon vs. Home Life* and also *Moon vs. Mutual Benefit Health & Accident*. The plaintiff was the wife of the insured and she was the beneficiary under two life policies issued by Home Life which had the double indemnity clause. She was also the beneficiary in a straight accident policy issued by Mutual Benefit Health & Accident.

Her husband was found dead in a lily pool in the yard of his residence following a serious quarrel he had with his wife. A note found in the house on that morning a few hours before the body was discovered is described by the court as a "suicide note" and was addressed to the wife, telling her that the writer, her husband, "cannot go on under the circumstances." The note warned her that she had better destroy the note or that it might make some difference in the amount of insurance she would be able to collect. The Home Life, after the holder's death, paid the face value of the policies to the plaintiff, but refused to pay the double indemnity. The action was brought to collect double indemnity payment. All three policies contained a provision that they were not to apply where death resulted from suicide. The higher court holds that the evidence establishes the company's claim that death was the result of suicide and reverses the judgment entered below in favor of the plaintiff.

Another double indemnity issue was decided by the Tennessee court of ap-

Assured Loses; Failed to Read

Those interested in life insurance litigation find that every once in a while a policyholder, having failed to read his application or his policy, claims that certain statements or provisions were unknown to him and were incorporated into the contract or withheld from his knowledge through the fraudulent act of the agent. An important case came before the California district court of appeals in *Glickman vs. New York Life*. Here was an assured, who had been for 10 years in possession of a policy providing for disability payments and had never read his contract. He became totally disabled but not realizing that he was entitled to benefits made no claim. Instead he went to the company to inquire if he could raise some money on the policy. The agent with whom he talked recommended that he surrender the policy without making any mention of the disability benefit provision. The policyholder agreed to the surrender for a small sum and then subsequently discovered that he could have had disability benefits. He asked the court to set aside the surrender. The court held that under the circumstances the policyholder was not justified in relying on the incorrect statement of the agent when he had every opportunity to read his policy and that he was bound by the surrender.

There was another case that came before the New Mexico supreme court in *Griego vs. New York Life*. The policyholder answered the questions in the application to the agent who filled in the answers in the blanks. The agent failed to record the answers as made by the policyholder, but the latter, without reading the written application, affixed his signature. When the policy was delivered a copy of the application was attached, but the assured again omitted to read it. After the insured's death, the beneficiary sought recovery. The court held that the plaintiff was entitled to recover the full value since the two negligent acts of the policyholder were insufficient to offset the active fraud of the agent. The company was held to be bound by the acts of the agent.

peals in *Ansley vs. Travelers*. The plaintiff sought to recover under the double indemnity provisions of three life policies. The holder died from chloral bromide poisoning resulting from the effect of a medicine taken for a nervous condition caused by drinking intoxicants. Prior to his death his face and lips became discolored and he sustained a scratch on his leg. The plaintiff contended that such evidence was sufficient to show the wound or contusion required by the policy. However, the higher court holds that such words are to be interpreted in their regularly accepted and not technical meaning. Not only did the plaintiff fail to show that there was a wound or contusion on the body after death, but she also failed to prove any causal connection between the condition relied upon to show which wound or contusion and the fatal injury. The judgment for the company is affirmed.

A sunstroke case brought up the issue of double indemnity in *Griesedieck vs. New York Life*, the United States district court for eastern district of Missouri, deciding in the policyholder's favor. It was established that the policyholder died from sunstroke and that no physical or mental infirmity contributed to his death. The higher court held that death was caused solely by external, violent and accidental means and that there should be recovery.



AT ANNUAL MEETING OF THE HEALTH & ACCIDENT UNDERWRITERS CONFERENCE

Walter C. Green, Chicago, consulting actuary and president Chicago Actuarial Club; Rex A. Edmunds, Fidelity Health & Accident; R. J. Wetterlund, Washington National, and L. D. Cavanaugh, Federal Life; M. W. Hobart, Ministers Life &

Casualty Union; Ivar Sivertson, publicity, Minneapolis; Harold R. Gordon, conference executive secretary and Dr. N. L. Criss, Mutual Benefit Health & Accident, show their prowess on the course on the first day of the Minneapolis parley.



C. A. Sholl, Globe Casualty; J. J. Helby, Federal Casualty, Milwaukee; A. D. Johnson, United, Chicago; and E. B. Fuller, Loyal Protective Life at the Health & Accident Underwriters Conference Parley.



Stanley Weiland, Keffer agency Aetna Life, and S. D. Rosan, Knight agency Union Central, at the annual outing of the New York City Life Supervisors Association. Mr. Weiland was elected president at the annual meeting in connection with the outing, succeeding Mr. Rosan.



Left to right—E. L. Morris, Minnesota Commercial Men's; Chester W. McNeill, Union Mutual Life; Col. J. W. Blunt, Monarch Life; H. G. Rockwood, United, Chicago;

and John F. Lydon, Ocean Accident, taking it easy at the golf club on the first day of the Health & Accident Underwriters Conference's gathering.